

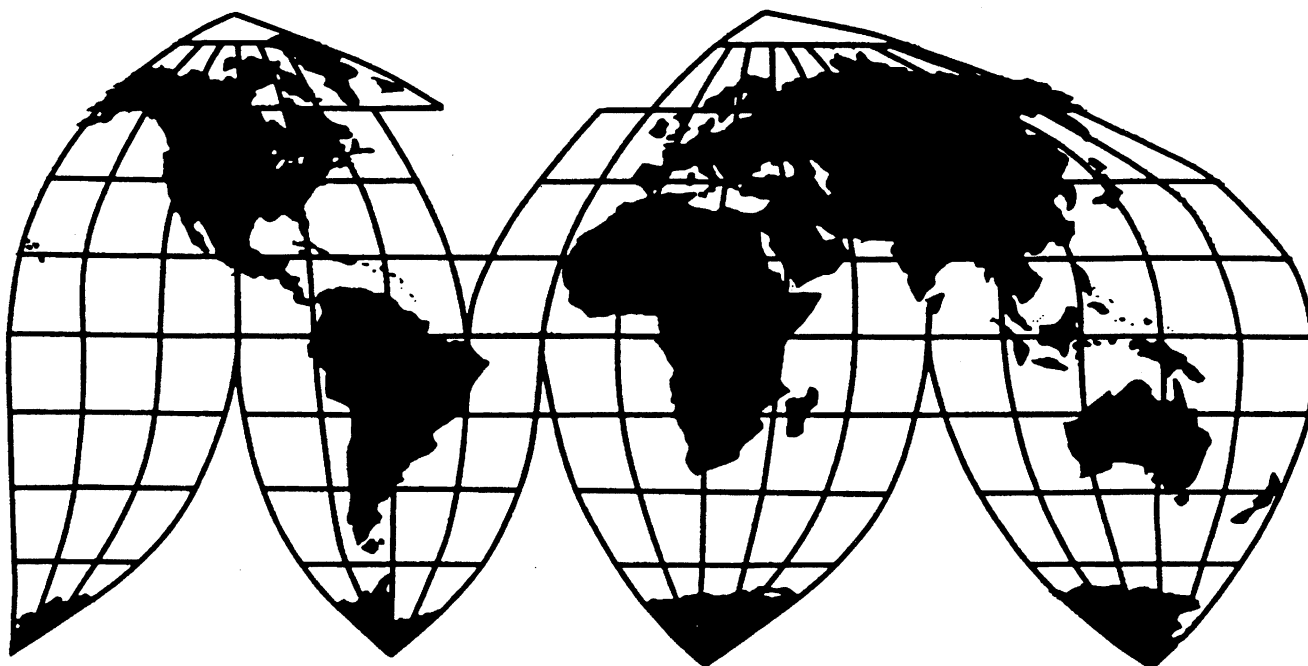
Certain Pipe and Tube From Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela

Investigations Nos. 701-TA-253 (Review) and 731-TA-132, 252, 271,
273, 276, 277, 296, 409, 410, 532-534, 536, and 537 (Review)

Publication 3316

July 2000

U.S. International Trade Commission



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Certain Pipe and Tube From Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela



Publication 3316

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Note—Information that would reveal confidential operations of individual concerns may not be published and therefore have been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Certain Pipe and Tube From Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela¹

DETERMINATIONS

On the basis of the record² developed in the subject five-year reviews, the United States International Trade Commission determines,³ pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the countervailing duty order on circular welded carbon steel pipe and tube from Turkey and revocation of the antidumping duty orders on circular welded carbon steel pipe and tube from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. The Commission further determines⁴ that revocation of the antidumping duty order on circular welded carbon steel pipe and tube from Venezuela would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

The Commission also determines⁵ that revocation of the antidumping duty orders on light-walled rectangular carbon steel pipes and tubes from Argentina and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. The Commission further determines⁶ that revocation of the antidumping duty order on light-walled rectangular carbon steel pipe and tube from Singapore would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

The Commission additionally determines⁷ that revocation of the antidumping duty orders on oil country tubular goods (OCTG) other than drill pipe and drill pipe from Canada and Taiwan would not be likely to lead to continuation or recurrence of material injury to the respective domestic industries in the United States within a reasonably foreseeable time.

¹ The products and investigation numbers for the various countries are: Argentina: light-walled rectangular tube (731-TA-409); Brazil: circular welded nonalloy steel pipe (731-TA-532); Canada: oil country tubular goods (731-TA-276); India: welded carbon steel pipe and tube (731-TA-271); Korea: circular welded nonalloy steel pipe (731-TA-533); Mexico: circular welded nonalloy steel pipe (731-TA-534); Singapore: small diameter standard and rectangular pipe and tube (731-TA-296); Taiwan: small diameter carbon steel pipe and tube (731-TA-132), oil country tubular goods (731-TA-277), light-walled rectangular tube (731-TA-410), and circular welded nonalloy steel pipe (731-TA-536); Turkey: welded carbon steel pipe and tube (701-TA-253 and 731-TA-273); Thailand: welded carbon steel pipe and tube (731-TA-252); and Venezuela: circular welded nonalloy steel pipe (731-TA-537).

² The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(f)).

³ Vice Chairman Deanna Tanner Okun and Commissioner Jennifer A. Hillman dissenting with respect to Mexico; Commissioner Thelma J. Askey dissenting with respect to India, Mexico, and Turkey.

⁴ Commissioner Lynn M. Bragg dissenting.

⁵ Commissioner Thelma J. Askey dissenting.

⁶ Commissioner Lynn M. Bragg dissenting.

⁷ Commissioner Lynn M. Bragg dissenting with respect to OCTG other than drill pipe from Canada and Taiwan and drill pipe from Canada.

BACKGROUND

The Commission instituted these reviews on May 3, 1999 (64 F.R. 23679) and determined on August 5, 1999, that it would conduct full reviews (64 F.R. 45276, August 19, 1999). Notice of the scheduling of the Commission's reviews and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on October 6, 1999 (64 F.R. 54354). The hearing was held in Washington, DC, on March 9, 2000, 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 these five-year reviews,¹ we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the countervailing duty order on circular, welded, non-alloy steel pipes and tubes (“CWP”) from Turkey and the antidumping duty orders on CWP from Brazil, India,² Korea, Mexico,³ Taiwan, Thailand, and Turkey⁴ would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time; and that revocation of the antidumping duty order on CWP from Venezuela would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁵

Based on the record in these five-year reviews, we also determine under section 751(c) of the Act that revocation of the antidumping duty orders on light-walled rectangular pipe and tube (“LWR”) from Argentina and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time;⁶ and that revocation of the antidumping duty order on LWR from Singapore would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁷

Based on the record in these five-year reviews, we further determine under section 751(c) of the Act that revocation of the antidumping duty orders on oil country tubular goods (“OCTG”) other than drill pipe from Canada and Taiwan would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time;⁸ and that revocation of the antidumping duty orders on drill pipe from Canada⁹ and Taiwan would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. BACKGROUND

On April 17, 1984, the Commission determined that an industry in the United States was materially injured by reason of imports of certain small diameter circular welded carbon steel pipes and

¹ For purposes of these determinations we are disregarding the following new factual information, not included in the factual record which closed on May 30, 2000, which was submitted in various parties’ final comments of June 1, 2000: (1) Exhibit 1 to the Comments on New Information by Domestic Interested Parties (World Trade Atlas statistics) and explanatory text; and (2) Attachment 1 to the Final Comments of Atlas Tube and Prudential Steel (JP Morgan Global Equity Weekly, Company Update on U.S. Steel Group). *See* 19 U.S.C. § 1677m(g); 19 C.F.R. § 207.68(b).

² Commissioner Askey dissenting.

³ Vice Chairman Okun and Commissioners Hillman and Askey dissenting.

⁴ Commissioner Askey dissenting.

⁵ Commissioner Bragg dissenting.

⁶ Commissioner Askey dissenting.

⁷ Commissioner Bragg dissenting.

⁸ Commissioner Bragg dissenting.

⁹ Commissioner Bragg dissenting.

tubes from Taiwan that were being sold in the United States at less than fair value (“LTFV”).¹⁰ Commerce imposed an antidumping duty order on imports of certain small diameter circular welded carbon steel pipes and tubes from Taiwan on May 7, 1984.¹¹ On February 12, 1986, the Commission determined that an industry in the United States was materially injured or threatened with material injury by reason of subsidized imports from Turkey and LTFV imports from Thailand of welded carbon steel standard pipes and tubes.¹² Commerce imposed antidumping and countervailing duty orders on these products on March 7 and March 11, 1986.¹³ On April 21, 1986, the Commission determined that an industry in the United States was materially injured or threatened with material injury by reason of LTFV imports of standard pipes and tubes from India and Turkey.¹⁴ Commerce imposed antidumping duty orders on these products on May 12 and May 15, 1986, respectively.¹⁵ On October 20, 1992, the Commission determined that an industry in the United States was materially injured by reason of LTFV imports of standard and structural pipes and tubes from Brazil, Korea, Mexico, Taiwan, and Venezuela.¹⁶ On November 2, 1992, Commerce imposed antidumping duty orders on these products.¹⁷

On October 20, 1986, the Commission determined that an industry in the United States was threatened with material injury by reason of LTFV imports of LWR from Singapore.¹⁸ Commerce imposed an antidumping duty order on this product on November 13, 1986.¹⁹ On March 15, 1989, the Commission determined that an industry in the United States was materially injured or threatened with material injury by reason of LTFV imports of LWR from Taiwan.²⁰ Commerce imposed an antidumping duty order on this product on March 27, 1989.²¹ On May 9, 1989, the Commission determined that an industry in the United States was materially injured or threatened with material injury by reason of LTFV

¹⁰ Certain Welded Carbon Steel Pipes and Tubes from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-131, 132, and 138 (Final), USITC Pub. 1519 (Apr. 1984).

¹¹ 49 Fed. Reg. 19369 (May 7, 1984).

¹² Certain Welded Carbon Steel Pipes and Tubes from Turkey and Thailand, Inv. Nos. 701-TA-253 and 731-TA-252 (Final), USITC Pub. 1810 (Feb. 1986).

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

¹⁴ Certain Welded Carbon Steel Pipes and Tubes from India, Taiwan, and Turkey, Inv. Nos. 731-TA-271–273 (Final), USITC Pub. 1839 (Apr. 1986).

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

¹⁶ Certain Circular, Welded, Non-Alloy Steel Pipes and Tubes from Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela, Inv. Nos. 731-TA-532–537 (Final), USITC Pub. 2564 (Oct. 1992).

¹⁷ 57 Fed. Reg. 49453 (Nov. 2, 1992) (Brazil, Korea, Mexico, and Venezuela), 57 Fed. Reg. 49454 (Nov. 2, 1992) (Taiwan).

¹⁸ Certain Welded Carbon Steel Pipes and Tubes from the Philippines and Singapore, Inv. Nos. 731-TA-293, 294, and 296 (Final), USITC Pub. 1907 (Nov. 1986).

¹⁹ 51 Fed. Reg. 41142 (Nov. 13, 1986).

²⁰ Certain Light-Walled Rectangular Pipes and Tubes from Taiwan, Inv. No. 731-TA-410 (Final), USITC Pub. 2169 (Mar. 1989).

²¹ 54 Fed. Reg. 12467 (Mar. 27, 1989).

imports of LWR from Argentina.²² Commerce imposed an antidumping duty order on this product on May 26, 1989.²³

On May 27, 1986, the Commission determined that an industry in the United States was materially injured by reason of LTFV imports of OCTG from Canada and Taiwan.²⁴ Commerce imposed antidumping duty orders on these products on June 16 and June 18, 1986, respectively.²⁵

On May 3, 1999, the Commission instituted reviews pursuant to section 751(c) of the Act to determine whether revocation of the antidumping and/or countervailing duty orders on certain pipe and tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela would likely lead to the continuation or recurrence of material injury.²⁶

In five-year reviews, the Commission initially determines whether to conduct a full review (which generally would include a public hearing, the issuance of questionnaires, and other procedures) or an expedited review, as follows. First, the Commission determines whether individual responses to the notice of institution are adequate. Second, based on those responses deemed individually adequate, the Commission determines whether the collective responses submitted by two groups of interested parties—domestic interested parties (producers, unions, trade associations, or worker groups) and respondent interested parties (importers, exporters, foreign producers, trade associations, or subject country governments)—demonstrate a sufficient willingness among each group to participate and provide information requested in a full review.²⁷ If the Commission finds the responses from both groups of interested parties to be adequate, or if other circumstances warrant, it will determine to conduct a full review.

With respect to CWP, the Commission received responses to the notice of institution on behalf of nine domestic producers accounting for a majority of domestic production; one Turkish producer that accounts for a substantial share of Turkish production of the subject merchandise; eight Korean producers that account for a majority of Korean production of the subject merchandise; two Mexican producers that account for a majority of Mexican production of the subject merchandise; and two Venezuelan producers that account for a majority of Venezuelan production of the subject merchandise. Accordingly, on August 5, 1999, the Commission determined that the domestic interested party group response and the respondent interested party group responses with respect to these orders were adequate

²² Certain Light-Walled Rectangular Pipes and Tubes from Argentina, Inv. No. 731-TA-409 (Final), USITC Pub. 2187 (May 1989).

²³ 54 Fed. Reg. 22794 (May 26, 1989).

²⁴ Oil Country Tubular Goods from Canada and Taiwan, Inv. Nos. 701-TA-255 and 731-TA-276-277 (Final), USITC Pub.1865 (June 1986).

²⁵ 51 Fed. Reg. 21782 (June 16, 1986) (Canada), *corrected* 51 Fed. Reg. 29579 (Aug. 19, 1986); 51 Fed. Reg. 22098 (June 18, 1986) (Taiwan). A contemporaneous CVD order on OCTG from Canada was revoked by Commerce in 1991. 56 Fed. Reg. 31389 (July 10, 1991). The Commission's notice of institution in these reviews also covered countervailing and antidumping duty orders on OCTG from Israel. 64 Fed. Reg. 23679 (May 3, 1999). On July 21, 1999, however, Commerce published notice of revocation of the orders on OCTG from Israel effective January 1, 2000, based on non-participation in the reviews by any domestic interested party. 64 Fed. Reg. 40548 (July 27, 1999). The Commission terminated its reviews of OCTG from Israel effective July 27, 1999. 64 Fed. Reg. 42416 (Aug. 4, 1999).

²⁶ 64 Fed. Reg. 23679 (May 3, 1999).

²⁷ See 19 C.F.R. § 207.62(a); 63 Fed. Reg. 30599, 30602-05 (June 5, 1998).

and that it should proceed to full reviews. The Commission received no responses from producers or importers of the subject merchandise from Brazil, India, Taiwan (two orders), or Thailand and therefore found the respondent interested party group responses to be inadequate with respect to those orders. The Commission nevertheless determined to conduct full reviews of those orders in order to promote administrative efficiency.²⁸

With respect to LWR, the Commission received responses to the notice of institution on behalf of seven domestic producers that account for a significant percentage of domestic production and determined that the domestic interested party group response was adequate.²⁹ The Commission received no responses from any respondent interested parties in these reviews and, therefore, determined that the respondent interested party group responses in each of the three reviews was inadequate. The Commission nevertheless voted to conduct full reviews in order to promote administrative efficiency in light of its decision to conduct full reviews of other orders in these grouped reviews.³⁰

In the original investigations of OCTG from Canada and Taiwan, the Commission found OCTG other than drill pipe and drill pipe to be separate like products. With respect to OCTG other than drill pipe, the Commission received responses to the notice of institution on behalf of domestic producers³¹ that account for a majority of domestic production and four Canadian producers accounting for a majority of Canadian production. With respect to the order on OCTG other than drill pipe from Canada, the Commission found both the domestic interested party and respondent interested party group responses to be adequate and determined to conduct a full review. The Commission received no responses from respondent interested parties in the review of the order on OCTG other than drill pipe from Taiwan and no responses from any interested parties with respect to the reviews of the orders on drill pipe from either country. It nevertheless determined to conduct full reviews because of significant domestic like product issues and in order to promote administrative efficiency in light of the decision to conduct a full review with respect to OCTG other than drill pipe from Canada.³²

²⁸ See Vote Sheets in Certain Pipe and Tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey and Venezuela, Inv. Nos. 701-TA-253 (Review) and 731-TA-132, 252, 271, 273, 276–277, 296, 409–410, 532–534, and 536–537 (Review); Notice of Commission Determination to Conduct Full Five-Year Reviews, 64 Fed. Reg. 45276 (Aug. 19, 1999); Explanation of Commission Determination on Adequacy (Aug. 1999).

²⁹ Commissioner Crawford dissenting.

³⁰ Explanation of Commission Determination on Adequacy (Aug. 1999). Chairman Bragg and Commissioner Crawford dissenting.

³¹ Five domestic producers responded with respect to Canada and three with respect to Taiwan.

³² Explanation of Commission Determination on Adequacy (Aug. 1999). Commissioner Crawford dissenting.

On March 9, 2000, the Commission held a hearing in these reviews, at which representatives of the following parties appeared: the domestic producers of CWP,³³ LWR,³⁴ and OCTG;³⁵ Venezuelan CWP producer C.A. Conduven (“Conduven”); the Korea Iron and Steel Association and Korean CWP producers SeAH Corporation, Shinho Steel Co., Hyundai Pipe Co., and Korea Iron & Steel Co. (collectively “Korean CWP producers”); Turkish CWP producer the Borusan Group (“Borusan”); Mexican CWP producer Hylsa S.A. de C.V. (“Hylsa”); and Canadian OCTG producers Atlas Tube, Inc. (“Atlas”) and Stelco, Inc. (“Stelco”). In addition, a representative appeared at the hearing on behalf of non-party Siderca S.A.I.C. (“Siderca”). The domestic producers filed briefs supporting continuation of the orders, and the foreign producers filed briefs supporting revocation of the orders.

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

1. General Considerations

In making its determination under section 751(c), the Commission defines “the domestic like product” and the “industry.”³⁶ The 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 under this subtitle.”³⁷ In a section 751(c) review, the Commission must also take into account “its prior injury determinations.”³⁸

³³ The domestic producers of CWP who appeared as parties in these reviews in support of continuation of the orders on CWP (“domestic CWP producers”) include Allied Tube & Conduit Corporation, Century Tube Corporation, IPSCO Tubular, Inc., LTV Steel Tubular Products Company, Maverick Tube Corporation, Sawhill Tubular Division—Armco, Inc., Sharon Tube Company, Western Tube & Conduit Corporation, and Wheatland Tube Company.

³⁴ The domestic producers of LWR who appeared as parties in these reviews in support of continuation of the orders on LWR (“domestic LWR producers”) include California Steel and Tube, Hannibal Industries, Inc., Maruichi American Corporation, Searing Industries, Leavitt Tube, Vest, Inc., and Western Tube and Conduit.

³⁵ The domestic producers of OCTG who appeared as parties in these reviews in support of continuation of the orders on OCTG (“domestic OCTG producers”) include Lone Star Steel Company and Maverick Tube Corporation (collectively “Lone Star”) and U.S. Steel Group and Lorain Tubular LLC (collectively “USX”).

³⁶ 19 U.S.C. § 1677(4)(A).

³⁷ 19 U.S.C. § 1677(10). See NEC Corp. v. Department of Commerce, Slip Op. 98-164 at 8 (Ct. Int’l Trade, Dec. 15, 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). See also S. Rep. No. 249, 96th Cong., 1st Sess. 90–91 (1979).

³⁸ 19 U.S.C. § 1675a(a)(1)(a).

2. Circular Welded Pipe and Tube

a. Background

i. Product Descriptions

In its final determinations, Commerce has defined the subject merchandise in these five-year reviews as follows:

Small Diameter Circular Welded Carbon Steel Pipes and Tubes from Taiwan (Inv. No. 731-TA-132):

welded carbon steel pipes and tubes of circular cross section, from Taiwan (“steel pipes”), with walls not thinner than 0.065 inch and outside diameter 0.375 inch or more but not over 4½ inches. These products are commonly referred to in the industry as standard pipe and are produced to various American Society of Testing Materials specifications, most notably A-53, A-120, or A-135.³⁹

Certain Circular Welded Carbon Steel Pipes and Tubes from Thailand (Inv. No. 731-TA-252):

certain circular welded carbon steel pipes and tubes, commonly referred to in the industry as ‘standard pipe’ or ‘structural tubing,’ with walls not thinner than 0.065 inches, and 0.375 inches or more, but not over 16 inches in outside diameter.⁴⁰

Certain Circular Welded Carbon Steel Pipes and Tubes from Turkey (Inv. No. 701-TA-253):

welded carbon steel pipes and tubes, having an outside diameter of 0.375 inch or more, but not more than 16 inches, of any wall thickness. These products, commonly referred to in the industry as standard pipe and tube or structural tubing, are produced in accordance with various American Society Testing and Materials (ASTM) specifications, most notably A-53, A-120, A-500, or A-501.⁴¹

Certain Circular Welded Carbon Steel Pipes and Tubes from India (Inv. No. 731-TA-271):

circular welded non-alloy steel pipes and tubes, of circular cross-section, with an outside diameter of 0.372 inches or more, but not more than 16 inches in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted) or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipe, though they may also be called structural or mechanical tubing in certain applications. Standard pipes and tubes are intended for the low-pressure conveyance of water, steam, natural gas, air and other liquids and gases in

³⁹ 64 Fed. Reg. 67873, 67874 (Dec. 3, 1999).

⁴⁰ 64 Fed. Reg. 67852 (Dec. 3, 1999).

⁴¹ 65 Fed. Reg. 17486, 17487 (Apr. 3, 2000).

plumbing and heating systems, air-conditioner units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing and mechanical applications, such as for fence tubing, and for protections of electrical wiring, such as conduit shells.

The scope is not limited to standard pipe and fence tubing or those types {of} mechanical and structural pipe that are used in standard pipe applications. All carbon-steel pipes and tubes within the physical description outline above are included in the scope of this order, except for line pipe, oil-country tubular goods, boiler tubing, cold-drawn or cold-rolled mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished rigid conduit.⁴²

Certain Circular Welded Carbon Steel Pipes and Tubes from Turkey (Inv. No. 731-TA-273):

circular welded non-alloy steel pipes and tubes, of circular cross-section, with an outside diameter of 0.372 inches or more, but not more than 16 inches in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted) or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipe, though they may also be called structural or mechanical tubing in certain applications. Standard pipes and tubes are intended for the low-pressure conveyance of water {,} steam, natural gas, air and other liquids and gases in plumbing and heating systems, air-conditioner units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing and mechanical applications, such as for fence tubing, and for protections of electrical wiring, such as conduit shells.

The scope is not limited to standard pipe and fence tubing or those types {of} mechanical and structural pipe that are used in standard pipe applications. All carbon-steel pipes and tubes within the physical description outline above are included in the scope of this order, except line pipe, oil-country tubular goods, boiler tubing, cold-drawn or cold-rolled mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished rigid conduit.⁴³

Certain Circular Welded Carbon Steel Pipes and Tubes from Brazil, Korea, Mexico, Taiwan, and Venezuela (Inv. Nos. 731-TA-532-534, 536, and 537):

circular welded non-alloy steel pipe and tube . . . of circular cross-section, not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipes and tubes and are intended for the low-pressure conveyance of water, steam, natural gas, air and other liquids and gases in plumbing and heating systems, air-conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing applications, such as for fence tubing, and as structural pipe tubing

⁴² 64 Fed. Reg. 67879 (Dec. 3, 1999).

⁴³ 64 Fed. Reg. 67876, 67877 (Dec. 3, 1999).

used for framing and as support members for reconstruction or load-bearing purposes in the construction, shipbuilding, trucking, farm equipment, and other related industries. Unfinished conduit pipe is also included in this order. All carbon-steel pipes and tubes within the physical description outlined above are included within the scope of this investigation, except line pipe, oil country tubular goods, boiler tubing, mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished conduit. Standard pipe that is dual or triple certified/stenciled that enters the U.S. as line pipe of a kind used for oil and gas pipelines is also not included in this investigation.⁴⁴

The CWP described in these various scopes includes primarily standard pipe, which is used for the low-pressure conveyance of air, steam, water, gas, oil, or other liquids or gases. The scopes also include some CWP used for above-ground structural purposes, such as fence posts and framing and support members (structural tubing). CWP products are generally produced to ASTM specifications and are available either black or galvanized (zinc-coated) and with either plain ends or threaded ends.⁴⁵ CWP is made from hot-rolled coiled steel sheet by either of two processes: continuous welding (CW) or electric resistance welding (ERW).⁴⁶

ii. Like Product Determinations in the Original Investigations

The starting point of the Commission's like product analysis in a five-year review is the like product definition in the Commission's original determination.⁴⁷ In the original CWP investigations, the

⁴⁴ 64 Fed. Reg. 67854, 67855 (Dec. 3, 1999). The scope description in Commerce's notice refers only to Brazil, Korea, Mexico, and Venezuela. Commerce has indicated that the omission of Taiwan from this scope description was an oversight. Confidential Report ("CR") at CIRC-I-16 n.9, Public Report ("PR") at CIRC-I-14 n.9. Commerce's failure to mention Taiwan in the scope description creates an ambiguity. In the original investigations, the scope for the investigation of CWP from Taiwan was different from that for CWP from the other four countries in that it excluded: (1) CWP subject to the pre-existing order on certain small diameter CWP from Taiwan; and (2) CWP with a wall thickness less than 0.065 inch (1.65 mm) and an outside diameter of exactly 16 inches. USITC Pub. 2564 at 7 n.8. Because Commerce's final determination in these reviews did not specify whether it now considers the scope of the Taiwan order to be the same as that of the other four or whether the different scope definition continues to be valid, the Commission has no definitive guidance from Commerce on the scope of this order. The most recent written pronouncement by Commerce on the scope of the Taiwan review is the Sunset Review Update web page, included in the record at the adequacy stage of these reviews, which reflects the scope from the original investigation. In our view, the better interpretation of the present situation is that the original scope is still valid. The alternate interpretation would create an overlap in the scopes of the two orders on CWP from Taiwan.

⁴⁵ CR at CIRC-I-20–CIRC-I-21, PR at CIRC-I-18.

⁴⁶ CR at CIRC-I-21, PR at CIRC-I-18.

⁴⁷ In the like product analysis for an original investigation, the Commission generally considers a number of factors including: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) common manufacturing facilities, production processes and production employees; (5) customer and producer perceptions; and, where appropriate, (6) price. See *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996). No single factor is dispositive, and the Commission may consider other factors relevant to a particular (continued...)

Commission defined the domestic like product as follows:

Small Diameter Circular Welded Carbon Steel Pipes and Tubes from Taiwan (Inv. No. 731-TA-132): small diameter circular pipes and tubes (*i.e.*, with an outside diameter of at least 0.375 inch but not more than 4.5 inches).⁴⁸

Certain Circular Welded Carbon Steel Pipes and Tubes from Thailand and Turkey (Inv. Nos. 731-TA-252 and 701-TA-253): standard pipe up to and including 16 inches outside diameter.⁴⁹

Certain Circular Welded Carbon Steel Pipes and Tubes from India and Turkey (Inv. Nos. 731-TA-271 and 731-TA-273): standard pipe of not more than 16 inches outside diameter.⁵⁰

Certain Circular Welded Carbon Steel Pipes and Tubes from Brazil, Korea, Mexico, Taiwan, and Venezuela (Inv. Nos. 731-TA-532-534, 536, and 537): circular, welded, non-alloy steel pipes and tubes of not more than 16 inches in outside diameter, except (a) finished conduit other than finished rigid conduit and (b) mechanical tubing that is not cold-drawn or cold-rolled.⁵¹

b. Analysis and Finding

In the original investigations, the Commission generally defined each domestic like product as coextensive with the relevant scope.⁵² The scopes of the CWP orders subject to these reviews, as defined by Commerce in its final determinations, are not entirely the same.⁵³ Thus, to the extent that the scopes

⁴⁷ (...continued)

investigation. The Commission looks for clear dividing lines among possible like products, and disregards minor variations. *See, e.g.*, S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979); Torrington, 747 F. Supp. at 748-49.

⁴⁸ USITC Pub. 1519 at 5-6.

⁴⁹ USITC Pub. 1810 at 6-7.

⁵⁰ USITC Pub. 1839 at 6-7.

⁵¹ USITC Pub. 2564 at 7-17.

⁵² There are two exceptions: (1) the later of the two investigations of CWP from Taiwan, which defined a single domestic like product for all countries under investigation despite the narrower scope of the Taiwan investigation and the existing order on certain small diameter CWP from Taiwan; and (2) the investigations of CWP from Brazil, Korea, Mexico, Taiwan, and Venezuela, which defined two products within the scope (finished conduit and mechanical tubing) as separate like products.

⁵³ We have noted the following differences: (1) the order on certain small diameter CWP from Taiwan includes only pipe with an outside diameter up to and including 4.5 inches, while all the other orders include pipe up to and including 16 inches in outside diameter; (2) the two earliest orders (small diameter from Taiwan, Thailand) limit the scope to pipe with walls not thinner than 0.065 inches, while the other orders apply to pipe of any wall thickness; (3) the order on CWP from India specifies a minimum outside diameter of 0.372 inches, while the other orders apply to pipe with a minimum outside diameter of 0.375 inches; (4) the orders on CWP from Thailand and Turkey (CVD) have no express exclusions for products excluded from the scopes in all later cases, including line pipe, OCTG, boiler tubing, cold-drawn or cold-rolled mechanical tubing, pipe and tube hollows for redraws, finished

(continued...)

of the orders are different, the domestic like products found in the original investigations are also different. In these reviews, all parties expressing a view on this issue urged us to reconsider our original like product determinations in order to find a single domestic like product in all the CWP reviews consisting of all circular, welded non-alloy steel pipes and tubes not more than 16 inches in outside diameter.⁵⁴

We find that application of the six traditional like product factors supports treating all CWP not more than 16 inches in outside diameter as a single domestic like product. All CWP is round, welded pipe made of non-alloy steel, is produced to ASTM or similar specifications, and is used in standard pipe and structural pipe applications. While CWP up to 4.5 inches in diameter can be produced using either the CW or ERW process, CWP over 4.5 inches in diameter can only be produced using the ERW process. However, most domestic producers make CWP with diameters both above and below 4.5 inches.⁵⁵ Because purchasers generally seek CWP that meets a particular ASTM or proprietary specification, pipes with different diameters, wall thicknesses, or end finishes generally will not be substitutable for each other in particular end uses.⁵⁶ All CWP is sold through the same channels of distribution, generally through distributors.⁵⁷ Prices for CWP vary based on diameter, end finish, and other features.⁵⁸ Overall, the record indicates that CWP consists of a continuum of products with no clear dividing lines between them based on diameter, wall thickness, or other features. Based on the foregoing, we find a single domestic like product in the CWP reviews consisting of CWP up to and including 16 inches in outside diameter, regardless of wall thickness.⁵⁹

⁵³ (...continued)

scaffolding, and finished rigid conduit; (5) the five most recent orders (Brazil, Korea, Mexico, Taiwan, and Venezuela) expand the exclusions above to *all* mechanical tubing and *all* finished conduit, and are also the only ones that expressly exclude dual-stenciled and triple-stenciled pipe that enters the United States as line pipe; and (6) the scope of the more recent of the two orders concerning CWP from Taiwan presumably excludes the products covered by the scope of the earlier (small diameter) order, but also excludes CWP from Taiwan with a wall thickness less than 0.065 inch (1.65 mm) and an outside diameter of precisely 16 inches, which is covered by all the other orders except the one on Thailand.

⁵⁴ Domestic CWP Producers' Posthearing Brief at A-5-A-6; Korean CWP Producers' Posthearing Brief, Exhibit 1 at 9; Hylsa Posthearing Brief at 1.10.

⁵⁵ Domestic CWP Producers' Posthearing Brief at A-5; Transcript of Commission Hearing (Mar. 9, 2000) ("Hearing Tr.") at 73-75.

⁵⁶ CR at CIRC-I-23, PR at CIRC-I-19.

⁵⁷ CR at CIRC-I-23, PR at CIRC-I-19.

⁵⁸ Domestic CWP Producers' Posthearing Brief at A-5.

⁵⁹ As noted above, some of the earlier CWP orders do not expressly exclude from their scopes other pipe and tube products, such as line pipe and OCTG, that may be produced in similar diameters and wall thicknesses. In light of the record, we limit the domestic like product in these reviews to CWP.

3. Light-Walled Rectangular Pipe and Tube

a. Background

i. Product Descriptions

In its final determinations, Commerce defined the merchandise subject to these five-year reviews as follows:

LWR from Singapore (Inv. No. 731-TA-296):

light-walled rectangular pipes and tubes (“rectangular pipes”) . . . , which are mechanical pipes and tubes or welded carbon steel pipes and tubes of rectangular (including square) cross-section, having a wall thickness of less than 0.156 inch.⁶⁰

LWR from Argentina (Inv. No. 731-TA-409):

light-walled welded carbon steel tubing of rectangular (including square) cross-section, having a wall thickness of less than 0.156 inch,⁶¹

LWR from Taiwan (Inv. No. 731-TA-410):

light-walled welded carbon steel pipes and tubes of rectangular (including square) cross-section, having a wall thickness of less than 0.156 inch.⁶²

LWR is rectangular (including square) tubing used in structural and mechanical applications such as wrought iron fencing, display racks, patio furniture, and exercise equipment. Like CWP, it is produced using the ERW process.⁶³

ii. Like Product Determinations in the Original Investigations

In the original investigations, the Commission defined the following domestic like products:

LWR from Singapore (Inv. No. 731-TA-296): light-walled rectangular pipes and tubes (*i.e.*, mechanical pipes and tubes or welded carbon steel pipes and tubes of rectangular (including square) cross-section having a wall thickness of less than 0.156 inch).⁶⁴

⁶⁰ 64 Fed. Reg. 67868 (Dec. 3, 1999).

⁶¹ 64 Fed. Reg. 67870 (Dec. 3, 1999).

⁶² 64 Fed. Reg. 67871, 67872 (Dec. 3, 1999), *as corrected by* 65 Fed. Reg. 11763 (Mar. 6, 2000).

⁶³ Hearing Tr. at 39–40; CR at LWR-I-12–LWR-I-13, PR at LWR-I-10–LWR-I-11.

⁶⁴ USITC Pub. 1907 at 4–6.

LWR from Argentina and Taiwan (Inv. Nos. 731-TA-409-410): light-walled rectangular pipe and tube.⁶⁵

b. Analysis and Finding

In these reviews, no party has argued for any change in the domestic like product definition.⁶⁶ Nothing in the current record indicates any significant changes that would warrant a different analysis.⁶⁷ Accordingly, we define the domestic like product in the instant LWR five-year reviews to be light-walled rectangular pipes and tubes.⁶⁸

4. OCTG Other Than Drill Pipe and Drill Pipe

a. Background

i. Product Descriptions

In its final determinations, Commerce defined the merchandise subject to these five-year reviews as follows:

American Petroleum Institute (“API”) specification OCTG and all other pipe with the following characteristics except entries which the Department {of Commerce} determined through its end use certification procedure were not used in OCTG applications: length of at least 16 feet; outside diameter of standard sizes published in the API or proprietary specifications for OCTG with tolerances of plus 1/8 inch for diameters less than or equal to 8 5/8 inches and plus 1/4 inch for diameters greater than 8 5/8 inches, minimum wall thickness as identified for a given outer diameter as published in the API or proprietary specifications for OCTG; a minimum of 40,000 PSI yield strength and a minimum 60,000 PSI tensile strength; and if with seams, must be electric resistance welded. Furthermore, imports covered by these reviews include OCTG with non-standard size wall thickness greater than the minimum identified for a given outer diameter as published in the API or proprietary specifications for OCTG, with surface

⁶⁵ USITC Pub. 2187 at 5 and 15–16 (Argentina); USITC Pub. 2169 at 3–6 and 51 (Taiwan).

⁶⁶ Domestic LWR Producers’ Posthearing Brief at A-8–A-9. In response to questioning, the domestic LWR producers argued that LWR and CWP are distinct domestic like products.

⁶⁷ In particular, the limited information of record supports treating LWR and CWP as distinct domestic like products based on differences in physical characteristics, end uses, production processes, producer and customer perceptions, and prices, and limited interchangeability. *See* Hearing Tr. at 39–40, 101, 120; Domestic Producers’ Posthearing Brief at A-8.

⁶⁸ Commissioner Askey notes that the starting point for her like product analysis is the like product definition contained in the original determination. Because the purpose of a sunset review is, literally, to review an existing order, the like product definition analysis in a review is different from that in an original investigation, where the Commission begins with a fresh record. She is, therefore, inclined to retain the original like product definition unless the existing definition(s) present a substantial impediment to arriving at an injury determination. She does not see the record in these reviews as indicating that the original like product definition should be changed.

scabs or slivers, irregularly cut ends, ID or OD has not been mechanically tested or has failed those tests.\1\ . . .

The order on OCTG from Canada covers all manufacturers and exporters of Canadian OCTG, excluding Welded Tube of Canada, Ltd. (“Welded Tube”) and Ipsco, Inc. (“Ipsco”).\2\ The order on OCTG from Taiwan covers all manufacturers and exporters of {Taiwan} OCTG.

\1\ The Department determined, on April 30, 1991, that seamless mechanical tubing/certain coupling stock meeting criteria are excluded from the scope of the order (see Notice of Scope Rulings, 56 FR 19833 (April 30, 1991)).

\2\ Welded Tube was excluded from the Department's less than fair value determination (see Antidumping; Oil Country Tubular Goods From Canada; Final Determination of Sales at Less Than Fair Value, 51 FR 15029 (April 22, 1986)). In addition, the Department revoked this order with respect to Ipsco (see Oil Country Tubular Goods From Canada; Final Results of Antidumping Duty Administrative Review and Revocation in Part of the Antidumping Duty Order, 61 FR 49733 (September 23, 1996)).⁶⁹

OCTG are pipes used inside oil and gas wells, and include casing, tubing, and drill pipe. Casing is the structural retainer for the walls of oil or gas wells. Tubing is used within the casing of the oil or gas wells to convey oil or gas to ground level. Drill pipe is used to transmit power to a rotary drilling tool below ground level.⁷⁰ OCTG is normally produced to API specifications.⁷¹ OCTG other than drill pipe (casing and tubing) consists of both welded and seamless tubular products. Drill pipe that meets API specifications is a seamless tubular product.⁷²

⁶⁹ 64 Fed. Reg. 67248, 67249 (Dec. 1, 1999). Commerce’s final scope definition does not specify whether finished drill pipe (*i.e.*, drill pipe with the tool joint attached) is included within the scope. The original antidumping duty orders issued by Commerce on OCTG from Canada and Taiwan both expressly included “OCTG that are in both finished and unfinished condition.” 51 Fed. Reg. 21782 (June 16, 1986) (Canada); 51 Fed. Reg. 22098 (June 18, 1986) (Taiwan). However, Commerce has advised us that it did not intend to alter the scope of the orders in its changed definition, and that the “drill pipe” and “finished or unfinished” concepts present in the 1986 order should be considered to be contained within the scope language in these reviews. Conversation with ***, U.S. Department of Commerce, March 7, 2000. Subsequently, Commerce indicated its opinion that, although “finished drill pipe” as considered in the original investigations may not have included drill pipe with tool joints attached, finished drill pipe in these reviews does include drill pipe with tool joints attached. Telephone conversations with ***, U.S. Department of Commerce, April 26-28, 2000. See CR at OCTG-I-9 n.4, PR at OCTG-I-9 n.4.

⁷⁰ CR at OCTG-I-12 and OCTG-I-16, PR at OCTG-I-11 and OCTG-I-13.

⁷¹ CR at OCTG-I-11 and OCTG-I-16, PR at OCTG-I-10 and OCTG-I-13.

⁷² CR at OCTG-I-12, PR at OCTG-I-11.

ii. Like Product Determinations in the Original Investigations

In the original investigations, the Commission defined two separate domestic like products: (1) OCTG other than drill pipe (seamless and welded casing and tubing, finished and unfinished, including green tubes), and (2) drill pipe.⁷³

b. Analysis and Findings

In these reviews, no party has urged any change in the domestic like product definition from that in the original OCTG investigations. Nothing in the current record indicates any significant changes that would warrant a different analysis.⁷⁴ Accordingly, we define the domestic like product in the instant reviews to be (1) OCTG other than drill pipe; and (2) drill pipe.⁷⁵

B. Domestic Industries

Section 771(4)(A) of the Act defines the relevant industry 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.”⁷⁶ In accordance with our domestic like product determinations in the instant five-year reviews, we determine that there are four domestic industries composed of the domestic producers of each of the four like products: CWP, LWR, OCTG other than drill pipe, and drill pipe.

One issue arises in defining the domestic industries producing OCTG other than drill pipe and drill pipe in these investigations: whether either processors or threaders of unfinished pipe and tube products should be included in the relevant domestic industry in addition to pipe manufacturers. In each instance, the question before us is whether the operation in question involves sufficient U.S. production-related activity to constitute domestic production of the like product.⁷⁷

⁷³ Drill pipe accounted for such a small percentage of U.S. production (less than one-half of one percent of U.S. producers’ domestic shipments in 1985), however, that the producers were unable to provide segregated data for that product. Therefore, the Commission assessed injury by examining data for all OCTG, the narrowest product group that included drill pipe for which data were available, under the product line provision. USITC Pub. 1519 at 3–5.

⁷⁴ In particular, the record supports treating OCTG other than drill pipe and drill pipe as separate domestic like products based on differences in physical characteristics, end uses, and producer and customer perceptions. CR at OCTG-I-10–OCTG-I-16, PR at OCTG-I-9–OCTG-I-13.

⁷⁵ For Commissioner Askey’s approach to analyzing the like product in a five-year review, see note 68, *supra*.

⁷⁶ 19 U.S.C. § 1677(4)(A).

⁷⁷ In assessing the nature and extent of production-related activities in the United States associated with a particular operation, 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. *See, e.g., Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the*

(continued...)

1. OCTG Other Than Drill Pipe

In the original investigations, the Commission did not address the issue of whether processors or threaders of OCTG other than drill pipe should be included in the domestic industry.⁷⁸ Processors of OCTG other than drill pipe operate facilities that are capable of heat-treating OCTG and upsetting ends.⁷⁹ Threaders are capable of threading and coupling, hydrostatic testing, and measuring the length of OCTG products. Most processors of OCTG other than drill pipe producers are also threaders, but there are many threaders that are not processors.⁸⁰ We determine that processors of OCTG other than drill pipe, whose operations include heat-treating and upsetting pipe ends, are included in the domestic industry because their operations involve sufficient U.S. production-related activity to constitute domestic production of the like product. The record demonstrates that operations performed by threaders are less complex than those conducted by processors.⁸¹ We therefore determine that threaders are not included in the domestic industry producing OCTG other than drill pipe because the level of value added and technical expertise required to perform threading and coupling operations is considerably less than that of either mills or processors.

2. Drill Pipe

Drill pipe processors perform heat-treating operations, upset pipe ends, and weld tool joints onto unfinished drill pipe.⁸² As drill pipe processing requires significant levels of capital investment, technical expertise, and added value, we conclude that this operation involves sufficient U.S. production related activity to constitute domestic production. Therefore, we find that drill pipe processors are included in the domestic industry.

C. Related Parties

We must further decide whether any producer of any of the four domestic like products should be excluded from the relevant domestic industry pursuant to section 771(4)(B), which allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise, or that are themselves importers. Exclusion of

⁷⁷ (...continued)

Czech Republic, Japan, Mexico, Romania, and South Africa, Inv. Nos. 731-TA-846–850 (Preliminary), USITC Pub. 3221 at 12 n.49 (Aug. 1999).

⁷⁸ We note, however, that in its most recent investigations of OCTG other than drill pipe, the Commission determined that processors should be included in the domestic industry, but that threaders should not be included. See Oil Country Tubular Goods from Argentina, Austria, Italy, Japan, Mexico, and Spain, Inv. Nos. 701-TA-363 and 364 and 731-TA-711–717 (Final), USITC Pub. 2911 at I-12 (Aug. 1995).

⁷⁹ CR at OCTG-I-14, PR at OCTG-I-12.

⁸⁰ CR at OCTG-I-14, PR at OCTG-I-12.

⁸¹ CR at OCTG-I-14, PR at OCTG-I-12.

⁸² CR at OCTG-I-14, PR at OCTG-I-12.

such a producer is within the Commission's discretion based upon the facts presented in each case.⁸³ In these reviews, related parties issues arise with respect to each industry except the industry producing LWR.

1. Circular Welded Pipe and Tube

***, a U.S. CWP producer, is a related party, because it is under common ownership and control with ***, a *** CWP producer.⁸⁴ The domestic CWP producers argue that appropriate circumstances exist to exclude *** from the domestic industry, because its interests are aligned with those of the *** industry.⁸⁵ None of the subject producers took a position on these issues.⁸⁶

In 1998, *** accounted for *** percent of domestic CWP production.⁸⁷ It did not import CWP from *** or any other subject country, and the written comments in its questionnaire response on the

⁸³ See Sandvik AB v. United States, 721 F. Supp. 1322, 1331–32 (CIT 1989), *aff'd without opinion*, 904 F.2d 46 (Fed. Cir. 1990); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987). The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude such parties include:

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

See, e.g., Torrington Co. v. United States, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993). The Commission has also considered the ratio of import shipments to U.S. production for related producers and whether the primary interest of the related producer lies in domestic production or importation. See, e.g., Sebacic Acid from the People's Republic of China, Inv. No. 731-TA-653 (Final), USITC Pub. 2793 at I-7–I-8 (July 1994).

⁸⁴ CR at CIRC-I-24 and CIRC-I-26, PR at CIRC-I-20. The domestic CWP producers argued that domestic CWP producer *** is also a related party, but that appropriate circumstances do not exist to exclude it from the industry. Domestic CWP Producers' Posthearing Brief at A-7. It does not appear, however, that *** is a related party, even though it shares common ownership with ***. The record indicates that *** is *** percent owned by two Japanese companies, one of which ***. CR at CIRC-I-26, PR at CIRC-I-20. In our view, this does not constitute sufficient evidence of common control to make *** a related party. The record also indicates that domestic producer *** purchased *** short tons of Korean CWP from an importer in 1998. Producer Questionnaire of *** at 9; CR at CIRC-I-26, PR at CIRC-I-20. These purchases were very small relative to its total domestic production, however, and there is no evidence that *** has any contractual or other relationship evidencing control of the importer. We therefore address the question of appropriate circumstances only with respect to ***.

⁸⁵ Domestic CWP Producers' Posthearing Brief at A-6-A-7.

⁸⁶ Korean CWP Producers' Posthearing Brief at 11; Hylsa Posthearing Brief at 1.11.

⁸⁷ Table CIRC-I-4, CR at CIRC-I-25, PR at CIRC-I-21.

likely effect of revocation of the orders generally track those of other domestic CWP producers.⁸⁸ These facts weigh against finding appropriate circumstances to exclude ***, because its interests seem to be generally aligned with those of the domestic industry. On the other hand, although it opposes revocation of all other orders subject to these reviews, *** supports revocation of the order on CWP from ***, suggesting an alignment of its interests with those of its corporate parent and related subject producer.⁸⁹ Moreover, *** financial performance was *** the industry average in 1998 and interim (Jan.–Sept.) 1999.⁹⁰ There is no information of record, however, indicating that the related foreign producer directs any exports it may make to the United States in such a manner as to avoid competing directly with ***. Overall, based on its ***, its ***, and on the absence of any evidence that its *** is in any way the result of its relationship with a subject producer, we determine that appropriate circumstances do not exist to exclude *** from the domestic CWP industry.⁹¹

2. OCTG Other Than Drill Pipe

Grant Prideco, a U.S. processor of OCTG other than drill pipe is a related party by virtue of its ownership of a Canadian OCTG processing facility. Grant Prideco is *** domestic processor of OCTG other than drill pipe, with *** facilities (***) in the United States.⁹² By contrast, Grant Prideco has *** processor/threader facility in Canada.⁹³ Although Grant Prideco is the only known processor of OCTG other than drill pipe in Canada, the total Canadian market for OCTG other than drill pipe is much smaller than the U.S. market for that product.⁹⁴ Grant Prideco *** OCTG other than drill pipe from Canada or Taiwan into the United States,⁹⁵ and, given the relative size of its U.S. and Canadian operations and its secure market in Canada, we conclude that is not likely to do so in any significant quantity in the reasonably foreseeable future. Moreover, the written comments in its questionnaire response on the likely effect of revocation of the order generally track those of other domestic producers of OCTG other

⁸⁸ See generally CR and PR at Appendix E.

⁸⁹ CR at CIRC-I-23–CIRC-I-24, PR at CIRC-I-20.

⁹⁰ Table CIRC-III-7, CR at CIRC-III-17, PR at CIRC-III-7 (showing that *** operating income margin ***).

⁹¹ Given the company's small size, Chairman Koplan and Commissioners Miller and Hillman do not find that inclusion of *** in the domestic industry would affect their assessment of the industry's vulnerability. They also do not find that *** is likely to benefit substantially from subject imports or from its affiliation with its related foreign producer such that ***'s inclusion in the domestic industry would affect their assessment of the likelihood of material injury if the order is revoked.

⁹² Grant Prideco Producer Questionnaire, Questions I-2 and I-8.

⁹³ Grant Prideco Producer Questionnaire, Question I-8.

⁹⁴ Compare Table OCTG-I-1, CR at OCTG-I-3, PR at OCTG-I-3 (U.S. apparent consumption of OCTG other than drill pipe in 1998 was 1,649,796 short tons) with Stelco Prehearing Brief at 14 and Exhibit 3 (citing Statistics Canada data showing Canadian consumption of OCTG other than drill pipe in 1998 was 525,076 short tons).

⁹⁵ CR at OCTG-IV-1, PR at OCTG-IV-1.

than drill pipe.⁹⁶ For all these reasons,⁹⁷ we find that appropriate circumstances do not exist to exclude Grant Prideco from the domestic industry producing OCTG other than drill pipe.

Maverick Tubular Company, a domestic producer of OCTG other than drill pipe, has recently purchased Prudential Steel Ltd. of Canada, a producer of subject OCTG other than drill pipe. Prudential Steel Ltd. owns a facility that produces OCTG other than drill pipe in the State of Washington. Thus, both Prudential (U.S.) and Maverick are related parties on the basis of their relationships with a Canadian producer/exporter of the subject merchandise.⁹⁸ No party has suggested that appropriate circumstances exist to exclude either Maverick or Prudential from the domestic industry. We observe that Prudential (U.S.) is a *** U.S. producer, which began production operations in 1999.⁹⁹ There is no evidence of record that it imports significant volumes from Canada or is likely to do so if the order is revoked. Furthermore, the evidence which has been collected indicates that Maverick's primary interest will continue to be in domestic production (as opposed to importing from Prudential Canada).¹⁰⁰ We therefore determine that appropriate circumstances do not exist to exclude either Maverick or Prudential from the domestic industry.¹⁰¹

3. Drill Pipe

Grant Prideco, a U.S. processor of drill pipe, is a related party by virtue of its ownership of a Canadian drill pipe processing facility. For the same reasons discussed above in connection with Grant Prideco's processing operations for OCTG other than drill pipe, we find that appropriate circumstances do not exist to exclude Grant Prideco from the domestic industry producing drill pipe.¹⁰²

⁹⁶ See generally CR and PR at Appendix E.

⁹⁷ We cannot measure Grant Prideco's financial performance against the industry average due to Grant Prideco's ***. Thus, our trade and financial data ***. See Table OCTG-III-11, CR at OCTG-III-13, PR at OCTG-III-8.

⁹⁸ CR at OCTG-I-19, PR at OCTG-I-14; Joint Press Release of Maverick Tube Corporation and Prudential Steel Ltd. (June 11, 2000), Attachment 2 to Stelco Submission of June 14, 2000.

⁹⁹ Table OCTG-I-5 and n.1, CR at OCTG-I-18, PR at OCTG-I-15.

¹⁰⁰ See Maverick Tube Corporation-Prudential Steel Ltd. Joint Press Release, June 11, 2000 (noting "only limited geographical overlap between the two companies' operations"); June 14, 2000 Submission of Lone Star Steel and Maverick Tube Corporation at 3 ("it is clear that Maverick intends for Prudential to continue to concentrate its sales in the Canadian market . . .").

¹⁰¹ IPSCO Tubulars, another domestic producer of OCTG other than drill pipe, is owned by Canadian producer IPSCO. However, because IPSCO Tubulars' Canadian parent company has been excluded from the antidumping duty order on OCTG from Canada since 1996 and therefore is not a subject producer, IPSCO Tubulars is not a related party.

¹⁰² Although we do not have data on annual Canadian consumption of drill pipe, we infer that the relative sizes of the U.S. and Canadian markets for drill pipe should be similar to the relative (but not the absolute) sizes of the U.S. and Canadian markets for OCTG other than drill pipe and for all OCTG (including drill pipe).

III. LEGAL STANDARDS¹⁰³

The legal standards discussed below apply to our determinations with respect to each of the four domestic industries: the CWP industry; the LWR industry; the OCTG other than drill pipe industry; and the drill pipe industry. Our determinations for each industry are found in Sections IV through VII.¹⁰⁴

A. Cumulation

Section 752(a) of the Act provides that:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.¹⁰⁵

Thus, cumulation is discretionary in five-year reviews. However, the Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.¹⁰⁶ We note that neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.¹⁰⁷ With respect to this provision, the Commission generally considers the likely volume of the subject imports and the likely

¹⁰³ Commissioner Bragg joins only in Section III.B of this section. For a complete statement of Commissioner Bragg’s analytical framework regarding cumulation in sunset reviews, *see* Separate Views of Chairman Lynn M. Bragg Regarding Cumulation in Sunset Reviews, found in Potassium Permanganate from China and Spain, Inv. Nos. 731-TA-125–126 (Review), USITC Pub. 3245 (Oct. 1999); *see also* Separate Views of Chairman Lynn M. Bragg Regarding Cumulation, found in Brass Sheet and Strip From Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden, Inv. Nos. 701-TA-269 & 270 (Review) and 731-TA-311-317 and 379–380 (Review), USITC Pub. 3290 (Apr. 2000).

¹⁰⁴ Commissioner Bragg does not join sections VI and VII. *See* Separate and Dissenting Views of Commissioner Lynn M. Bragg.

¹⁰⁵ 19 U.S.C. § 1675a(a)(7).

¹⁰⁶ 19 U.S.C. § 1675a(a)(7).

¹⁰⁷ SAA, H.R. Rep. No. 103-316, vol. I (1994).

impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.^{108 109}

The Commission has generally considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product.¹¹⁰ Only a “reasonable overlap” of competition is required.¹¹¹ In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists. Moreover, because of the prospective nature of five-year reviews, we have examined not only the Commission’s traditional competition factors, but also other significant conditions of competition that are likely to prevail if the orders under review are revoked. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.¹¹²

¹⁰⁸ For a discussion of the analytical framework of Chairman Koplan and Commissioners Miller and Hillman regarding the application of the “no discernible adverse impact” provision, see Malleable Cast Iron Pipe Fittings From Brazil, Japan, Korea, Taiwan, and Thailand, Inv. Nos. 731-TA-278–280 (Review) and 731-TA-347–348 (Review), USITC Pub. 3274 (Feb. 2000). For a further discussion of Chairman Koplan’s analytical framework, see Iron Metal Construction Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China, Inv. Nos. 303-TA-13 (Review), 701-TA-249 (Review), and 731-TA-262, 263, and 265 (Review), USITC Pub. 3247 (Oct. 1999) (Views of Commissioner Stephen Koplan Regarding Cumulation).

¹⁰⁹ Commissioner Askey notes that the Act clearly states that the Commission is precluded from exercising its discretion to cumulate if the imports from a country subject to review are likely to have “no discernible adverse impact on the domestic industry” upon revocation of the order. 19 U.S.C. § 1675a(a)(7). Thus, the Commission must focus on whether the imports will impact the condition of the industry discernibly as a result of revocation, and not solely on whether there will be a small volume of imports after revocation, *i.e.*, by assessing their negligibility after revocation of the order. For a full discussion of her views on this issue, see Additional Views of Commissioner Thelma J. Askey in Potassium Permanganate from China and Spain, Inv. Nos. 731-TA-125–126 (Review), USITC Pub. 3245 (Oct. 1999).

¹¹⁰ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are simultaneously present in the market. See, *e.g.*, Wieland Werke, AG v. United States, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

¹¹¹ See Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (Ct. Int’l Trade 1996); Wieland Werke, AG, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); United States Steel Group v. United States, 873 F. Supp. 673, 685 (Ct. Int’l Trade 1994), *aff’d*, 96 F.3d 1352 (Fed. Cir. 1996).

¹¹² See, *e.g.*, Torrington Co. v. United States, 790 F. Supp. at 1172 (affirming Commission’s determination not to cumulate for purposes of threat analysis when pricing and volume trends among subject countries were not uniform and import penetration was extremely low for most of the subject countries); Metallwerken Nederland B.V. v. United States, 728 F. Supp. 730, 741–42 (Ct. Int’l Trade 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (Ct. Int’l Trade 1988).

B. Likelihood of Continuation or Recurrence of Material Injury Within A Reasonably Foreseeable Time if the Orders Are Revoked

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke a countervailing or antidumping duty order unless: (1) it makes a determination that dumping is likely to continue or recur, and (2) the Commission makes a determination that revocation of an order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”¹¹³ The SAA states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation {of the order} . . . and the elimination of its restraining effects on volumes and prices of imports.”¹¹⁴ Thus, the likelihood standard is prospective in nature.¹¹⁵ The statute states that “the Commission shall consider that the effects of revocation . . . may not be imminent, but may manifest themselves only over a longer period of time.”¹¹⁶ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ time frame applicable in a threat of injury analysis {in antidumping and countervailing duty investigations}.”^{117 118}

Although the standard in five-year reviews is not the same as the standard applied in original antidumping or countervailing duty investigations, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of

¹¹³ 19 U.S.C. § 1675a(a).

¹¹⁴ SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry).” SAA at 883.

¹¹⁵ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

¹¹⁶ 19 U.S.C. § 1675a(a)(5).

¹¹⁷ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

¹¹⁸ In analyzing what constitutes a reasonably foreseeable time, Chairman Koplán examines all the current and likely conditions of competition in the relevant industry. He defines “reasonably foreseeable time” as the length of time it is likely to take for the market to adjust to a revocation. In making this assessment, he considers all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, this analysis seeks to define “reasonably foreseeable time” by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

imports of the subject merchandise on the industry if the order is revoked.”¹¹⁹ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order under review, and whether the industry is vulnerable to material injury if the order is revoked.¹²⁰

We note that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. We generally give credence to the facts supplied by the participating parties and certified by them as true, but base our decision on the evidence as a whole, and do not automatically accept the participating parties’ suggested interpretation of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. “In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive.”¹²¹ In this case, a number of respondent interested parties did not provide questionnaire responses and/or participate in these reviews. Accordingly, we have relied on the facts available in these reviews, which consist primarily of the evidence in the record from the Commission’s original investigations, the information collected by the Commission since the institution of these reviews, and information submitted by the domestic producers and other parties in these reviews.

In evaluating the likely volume of imports of subject merchandise if the orders under review are revoked, the Commission is directed to consider whether the likely volume of subject imports would be significant either in absolute terms or relative to production or consumption in the United States.^{122 123} In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.¹²⁴

¹¹⁹ 19 U.S.C. § 1675a(a)(1).

¹²⁰ 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

¹²¹ SAA at 869.

¹²² 19 U.S.C. § 1675a(a)(2).

¹²³ Section 752(a)(1)(D) of the Act directs the Commission to take into account in five-year reviews involving antidumping proceedings “the findings of the administrative authority regarding duty absorption.” 19 U.S.C. § 1675a(a)(1)(D). The assertion by counsel for the domestic CWP producers (Domestic CWP Producers’ Posthearing Brief at 3) that Korean, Mexican, and Thai producers have absorbed antidumping duties is not supported by the record. Commerce has issued no duty absorption findings, so duty absorption is not an issue in these reviews.

¹²⁴ 19 U.S.C. § 1675(a)(2)(A)–(D).

In evaluating the likely price effects of subject imports if the orders are revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared with domestic like products and whether the subject imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the price of domestic like products.¹²⁵

In evaluating the likely impact of imports of subject merchandise if the order is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.¹²⁶ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.¹²⁷ As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the antidumping duty orders at issue and whether the industry is vulnerable to material injury if the order is revoked.¹²⁸

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

¹²⁶ 19 U.S.C. § 1675a(a)(4).

¹²⁷ 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping” in making its determination in a five-year review investigation. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year review investigations as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv). *See also* SAA at 887. Although the statute does not expressly define the “magnitude of the net countervailable subsidy” to be used by the Commission in a five-year review, it states that “{t}he administering authority shall provide to the Commission the net countervailable subsidy that is likely to prevail if the order is revoked” 19 U.S.C. § 1675(a)(b)(3). The final dumping and net subsidy margins published by Commerce in its final five-year review determinations are summarized at Table CIRC-I-2, CR at CIRC-I-12, PR at CIRC-I-11; Table LWR-I-2, CR at LWR-I-8, PR at LWR-I-7; Table OCTG-I-3, CR at OCTG-I-7, PR at OCTG-I-7; and CR at CIRC-I-11, PR at CIRC-I-10 (Turkey CVD). Accordingly, because the statute directs us to use the projected margins determined by Commerce in its final five-year reviews as those likely to prevail if the orders are revoked, we reject the domestic CWP producers’ suggestion that we find that dumping would be likely to continue or recur at higher margins found in recent Commerce annual reviews of particular producers. *See Domestic CWP Producers’ Prehearing Brief* at 64–65.

In addition, the statute provides that the Commission “shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement.” 19 U.S.C. § 1675a(6). In its final determination in the review of the CVD order on CWP from Turkey, Commerce found that two of the four subsidy programs that have not been eliminated by the Government of Turkey (Deduction from Taxable Income for Export Revenues and Pre-Shipment Export Credit) are subsidies within the meaning of Article 3.1(a) of the Subsidies Agreement. 65 Fed. Reg. 17486, 17487 (Apr. 3, 2000).

¹²⁸ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an

(continued...)

IV. CIRCULAR WELDED PIPE AND TUBE

A. Cumulation

In these reviews, the statutory requirement that all of the CWP reviews be initiated on the same day is satisfied. For the reasons discussed below, we find that subject imports from Venezuela are likely to have no discernible adverse impact on the domestic industry if the relevant order is revoked and therefore do not cumulate imports from Venezuela with other subject imports.¹²⁹ We further find that subject imports from all other subject countries should be cumulated in these reviews.^{130 131}

1. No Discernible Adverse Impact

During the original investigation, the market share of subject imports from Venezuela never exceeded 0.9 percent on an annual basis and their share of total imports never exceeded 2.4 percent.¹³² The domestic CWP producers concede that, for purposes of our assessment of no discernible adverse impact, this volume of imports could be considered “negligible.”¹³³ In fact, the volume of imports of CWP from Venezuela had already declined considerably between the early 1980s and the original period of investigation (covering 1989–interim 1992).¹³⁴ After imposition of the antidumping duty order, the volume of imports declined further, although there have been some minimal imports from Venezuela in some years since 1992.¹³⁵

We find that the volume of imports from Venezuela is unlikely to exceed its extremely low pre-order levels if the order is revoked. Total Venezuelan capacity to produce CWP is relatively modest. Conduven, the largest Venezuelan producer and the largest exporter during the original period of investigation, presently accounts for about *** percent of Venezuelan CWP production, and estimates that total Venezuelan capacity to produce CWP was about *** short tons in 1998 (which represents

¹²⁸ (...continued)

industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

¹²⁹ Commissioner Bragg finds that revocation of the order on Venezuela would be likely to have a discernible adverse impact on the domestic industry. See note 140, *infra*.

¹³⁰ Vice Chairman Okun and Commissioners Hillman and Askey do not cumulate subject imports from Mexico. See Dissenting Views of Vice Chairman Okun and Commissioners Hillman and Askey. Commissioner Askey also does not cumulate subject imports from India and Turkey.

¹³¹ Commissioner Bragg cumulates imports from all eight subject countries for purposes of her review of the orders on CWP.

¹³² The market share of subject imports from Venezuela was 0.4 percent in 1989, 0.9 percent in 1990, 0.9 percent in 1991, and 0.1 percent in interim 1992, compared with 2.0 percent in interim 1991. Confidential Report in Inv. Nos. 731-TA-532–537 (Final) (Oct. 8, 1992) at C-5, Table C-2. The share of total U.S. imports of CWP held by imports from Venezuela was 1.0 percent in 1989, 2.4 percent in 1990, 2.3 percent in 1991, 4.7 percent in interim 1991, and 0.4 percent in interim 1992. *Id.* at I-69, Table 22.

¹³³ Hearing Tr. at 84.

¹³⁴ Table D-1, CR and PR at Appendix D.

¹³⁵ Table D-1, CR and PR at Appendix D.

approximately *** percent of U.S. apparent consumption in 1998).¹³⁶ Since the original investigation, the percentage of Conduven's shipments that were sold in its home market has increased considerably, from between *** and *** percent during the period from 1989 through 1991 to *** percent in 1997 and 1998 and *** percent in interim 1999, despite the Venezuelan economic downturn of 1998-99.¹³⁷ Conduven has established third country markets for its exports, principally in neighboring Latin American and Caribbean countries, and benefits from preferential trade agreements in some of these countries. Moreover, at the end of 1995, the European Union revoked an antidumping duty order on CWP from Venezuela. Conduven also uses its CWP production facilities to make other products, including OCTG for the Venezuelan oil industry, and high worldwide oil prices make it unlikely that Conduven will engage in product-shifting toward greater production of CWP in the foreseeable future.¹³⁸ Finally, we note that the total volume of CWP exports to all countries from Venezuela in recent years has not exceeded 0.6 percent of U.S. apparent consumption.¹³⁹ For all these reasons, we find that subject imports from Venezuela would be likely to have no discernible adverse impact on the domestic industry producing CWP if the order on such imports were revoked.¹⁴⁰

Although we note that several subject producers urged us to find that imports from Korea, Mexico, and Turkey would also be likely to have no discernible adverse impact on the domestic industry if the relevant antidumping and countervailing duty orders were revoked,¹⁴¹ we find that the no

¹³⁶ CR at CIRC-IV-16, PR at CIRC-IV-7; Table CIRC-I-1, CR at CIRC-I-5, PR at CIRC-I-5. The domestic CWP producers did not provide any alternate estimate. Thus, the only other information of record is public data concerning the Venezuelan industry's total theoretical capacity to produce all welded pipe and tube products within the appropriate size range. See Table G-10, CR and PR at Appendix G. According to Conduven, only three of the Venezuelan companies listed in Table G-10 (Conduven, Univensa, and Armco Venezuela) are able to produce subject CWP. Both of the other producers are much smaller than Conduven. *Id.* at n.2; Conduven Posthearing Brief at 9.

¹³⁷ *Compare* Confidential Report, Inv. Nos. 731-TA-532-537 (Final) (Oct. 8, 1992) at I-63, with Table CIRC-IV-7, CR at CIRC-IV-17, PR at CIRC-IV-8. Moreover, Conduven reported operating at very high levels of capacity utilization in all periods except interim 1999, and indicated that its capacity utilization level has recovered since that time. Table CIRC-IV-7, CR at CIRC-IV-17, PR at CIRC-IV-8; Conduven Prehearing Brief at 15.

¹³⁸ Conduven Prehearing Brief at 4-9.

¹³⁹ Based on UN data, total Venezuelan exports of CWP to all countries were 16,361 short tons in 1997, or 0.6 percent of U.S. apparent consumption in that year. Table CIRC-I-1, CR at CIRC-I-5, PR at CIRC-I-5; Table H-1, CR and PR at Appendix H. Based on Conduven's data, Venezuelan exports of CWP to all countries were *** short tons in 1998, or *** percent of U.S. apparent consumption in that year. Table CIRC-I-1, CR at CIRC-I-5, PR at CIRC-I-5; Table CIRC-IV-7, CR at CIRC-IV-17, PR at CIRC-IV-8.

¹⁴⁰ Commissioner Bragg does not join the foregoing analysis with regard to Venezuela. Commissioner Bragg notes that record data indicate that total production capacity in Venezuela for welded carbon pipe and tube 16 inches and less in outside diameter was *** short tons in 1997. Table G-10, CR and PR at Appendix G. Given this *** production capacity, and the relative ease with which producers can switch production among various CWP products, Commissioner Bragg determines that revocation of the order on Venezuela would be likely to result in a discernible adverse impact on the domestic industry.

¹⁴¹ Korean CWP Producers' Prehearing Brief at 33-34; Korean CWP Producers' Posthearing Brief, Exhibit 1 at 2-3; Hylsa Prehearing Brief at 8 n.13; Hylsa Posthearing Brief at 2-9 and 1.3-1.4; Borusan Prehearing Brief at 1-11; Hearing Tr. at 210-214; Borusan Posthearing Brief at 2-6, 10-11.

discernible adverse impact standard is not satisfied with respect to subject imports from any of these countries.¹⁴²

In the case of Korea, we note the Korean CWP producers' argument that, until safeguard duties on line pipe went into effect on March 1, 2000, they enjoyed unlimited access to the U.S. CWP market by exporting dual-stenciled line pipe—*i.e.*, pipe that meets both line pipe and CWP specifications but enters as line pipe for customs purposes. They contend that, if the antidumping duty order on CWP from Korea is revoked, they will simply replace the volume of dual-stenciled line pipe currently being sold in the United States for standard pipe applications with single-stenciled standard pipe, resulting in no net change in the volume of imports of CWP from Korea.¹⁴³ We find that, despite declines in both Korean CWP production capacity and the volume of imports of CWP from Korea since imposition of the order, Korea has maintained a significant U.S. market presence, remains the largest exporter to the U.S. market, and held a U.S. market share of 5.9 percent in interim 1999.¹⁴⁴ The responding Korean producers alone reported excess CWP production capacity of over *** short tons in full-year 1998 and nearly *** short tons in interim 1999.¹⁴⁵ Given this excess capacity and the Korean producers' demonstrated interest and established position in the U.S. market, we do not find that subject imports of CWP from Korea are likely to have no discernible adverse impact in the event of revocation.¹⁴⁶

¹⁴² Commissioner Askey dissents with respect to subject imports from India and Turkey, finding that imports from those countries are likely to have no discernible adverse impact on the domestic industry.

With respect to subject imports from India, Indian import volumes were small during the original investigation, ranging from virtually nonexistent in 1983 to representing a mere 0.7 percent of domestic consumption in 1985, and they represented only 0.4 percent of consumption in 1997 and 1998. Table CIRC-I-1, CR at CIRC-I-5, PR at CIRC-I-5. These recent figures are overstated because they include nonsubject imports. *See* Table CIRC-I-1 at n.3, CR at CIRC-I-5, PR at CIRC-I-5; 51 Fed. Reg. 17384 (May 12, 1986) (antidumping duty order on CWP from India excludes Indian producers Gujarat Steel Tubes Ltd. and Zenith Steel Tubes & Indus. Ltd.); Importer Questionnaires of *** and *** at 7 (reporting imports from nonsubject Indian producers). The one Indian company that provided information reported *** exports to the United States in 1997–interim 1999 and *** exports to third country markets, indicating that *** of its production is sold only in the Indian domestic market. Available U.N. export data also shows that Indian producers have exported very little CWP to anywhere else in the world in recent years. Table H-1, CR and PR at Appendix H. While the different data sources are somewhat in conflict, they all indicate that Indian production, while large, is almost entirely focused on its domestic market. Accordingly, based upon available information from the original investigation and the review period, it is unlikely that Indian imports would have a discernible adverse impact on the domestic industry in the foreseeable future.

For her analysis regarding Turkey, see note 147, *infra*.

¹⁴³ Korean CWP Producers' Posthearing Brief at 14–15 and Exhibit 1 at 14; Hearing Tr. at 207.

¹⁴⁴ Table CIRC-I-1, CR at CIRC-I-5, PR at CIRC-I-5.

¹⁴⁵ Table CIRC-IV-4, CR at CIRC-IV-11, PR at CIRC-IV-6.

¹⁴⁶ Even at current import levels, Chairman Koplán and Commissioners Miller and Hillman find that imports from Korea exceed levels that would satisfy the “no discernible adverse impact” provision, and, they find that these import levels are not likely to decrease if the order is revoked.

In the case of Turkey,¹⁴⁷ we note that the market share of CWP imports from Turkey rose in interim 1999, indicating continued interest in the U.S. market on the part of Turkish producers.¹⁴⁸ Borusan, the largest Turkish manufacturer of CWP, reported excess capacity of more than *** short tons in interim 1999, and is an export-oriented operation, exporting between *** and *** percent of total shipments during the period 1997–interim 1999.¹⁴⁹ Borusan estimates that other Turkish producers account for an additional *** short tons of capacity.¹⁵⁰ Although we note Borusan’s argument that it has developed alternate export markets since imposition of the antidumping and countervailing duty orders,¹⁵¹ it is apparent that the Turkish producers continue to have excess CWP production capacity despite the existence of third country export markets. Given the high substitutability between the Turkish and domestic products and the inelasticity of demand for CWP,¹⁵² we cannot conclude that subject imports from Turkey would be likely to have no discernible adverse impact on the domestic industry if the antidumping and countervailing duty orders on CWP from Turkey were revoked.

Mexican producer Hylsa, like the Korean CWP producers, argued that its volume of exports to the United States has not been limited by the antidumping duty order, because it is able to sell unlimited amounts of dual-stenciled line pipe into the U.S. CWP market.¹⁵³ Hylsa concedes, however, that the order has limited its access to the portion of the U.S. market that demands galvanized CWP, because galvanized CWP cannot be dual-stenciled as line pipe.¹⁵⁴ Moreover, the Mexican industry has maintained a U.S. market presence despite the existence of the order and the two reporting Mexican

¹⁴⁷ Commissioner Askey does not join this paragraph; she determines that subject imports from Turkey are not likely to have a discernible adverse impact on the domestic industry. Turkish imports held 0.02, 0.1 and 1.5 percent of domestic apparent consumption in each of the three years of the original investigation and 0.1 percent in 1997, 0.2 percent in 1998, and 0.6 percent in interim 1999. Table CIRC-I-1, CR at CIRC-I-5, PR at CIRC-I-5. Accordingly, Turkish import volumes were quite small during the original investigation and have been very low in the past three years. Moreover, current and projected margins are low. Current LTFV rates are 0.02–7.54 percent and CVD rates are 0.84–3.73 percent. The projected LTFV margin for the largest Turkish producer is only 1.26 percent. CR at CIRC-I-11, PR at CIRC-I-10; Table CIRC-I-2, CR at CIRC-I-12, PR at CIRC-I-11; CR and PR at Appendix F, F-3 and F-7. Turkey is also a member of a customs union with the EU and roughly half of its exports in 1996-98 have been to EU countries, providing a strong incentive to continue focusing on EU customers for its exports. Table CIRC-IV-6, CR at CIRC-IV-15, PR at CIRC-IV-7; Borusan Prehearing Brief at 10; Table H-1, CR and PR at Appendix H. In sum, given the low prior and current import volumes from Turkey, low LTFV and CVD rates, and the strong incentive of Turkish producers to continue focusing their exports on EU countries, it is unlikely that Turkish imports would have a discernible adverse impact on the domestic industry in the foreseeable future.

¹⁴⁸ Table CIRC-I-1, CR at CIRC-I-5, PR at CIRC-I-5.

¹⁴⁹ Table CIRC-IV-6, CR at CIRC-IV-15, PR at CIRC-IV-7.

¹⁵⁰ CR at CIRC-IV-14, PR at CIRC-IV-7.

¹⁵¹ Borusan Prehearing Brief at 9-10.

¹⁵² See section IV.B, *infra*.

¹⁵³ Hylsa Prehearing Brief at 8; Hylsa Posthearing Brief at 2–6, 8–9.

¹⁵⁴ Hylsa Posthearing Brief at 4. Galvanized pipe accounts for approximately one-quarter of U.S. CWP consumption. Hearing Tr. at 12, 78–79; Circular Welded Nonalloy Steel Pipe from Romania and South Africa, Inv. Nos. 731-TA-732–733 (Final), USITC pub. 2973 at IV-4 (July 1996) (in 1995, galvanized pipe accounted for 25.8 percent of U.S. shipments).

producers reported excess capacity of over *** short tons in interim 1999.¹⁵⁵ Given the high substitutability between the Mexican and domestic products,¹⁵⁶ the relative ease with which producers can switch production among various welded pipe products, the existence of some excess capacity in Mexico, the Mexican producers' demonstrated interest in and commitment to the U.S. market, and the opportunity to expand sales of galvanized CWP, we cannot conclude that subject imports from Mexico would be likely to have no discernible adverse impact on the domestic industry if the order were revoked.¹⁵⁷

2. Reasonable Overlap of Competition¹⁵⁸

In those original investigations that involved more than one country, the Commission found that subject imports from the relevant countries competed with each other and with the domestic like product.¹⁵⁹ With respect to fungibility, the record continues to indicate that CWP is a commodity product made to ASTM or similar specifications.¹⁶⁰ Almost all the responding domestic and foreign producers

¹⁵⁵ Chairman Koplan and Commissioners Bragg and Miller note that unused production capacity in Mexico in interim 1999 was equivalent to *** percent of apparent U.S. consumption, as well as *** percent of the domestic industry's shipments in interim 1999. *Compare* Table CIRC-III-2, CR at CIRC-III-2, PR at CIRC-III-2, *with* Table CIRC-IV-5, CR at CIRC-IV-13, PR at CIRC-IV-7. They note that although the two responding producers reported production capacity of *** short tons in 1998, these two companies are estimated to account for approximately *** percent of Mexican production. While specific information regarding the remaining Mexican producers is not available, public and questionnaire data on the record indicate that total production capacity for welded carbon pipe and tube 16 inches and less in outside diameter was *** short tons in 1997. Moreover, producers may readily switch production among various welded carbon pipe products.

Chairman Koplan and Commissioners Bragg and Miller also note that while Hylsa states that its capacity utilization in the first two months of 2000 was over *** percent, the record does not contain information for the other Mexican producers in this time period, which limits their ability to assess the capacity utilization of all subject producers in Mexico. Further, this capacity utilization data covers all tubular products, a category which includes subject and nonsubject products. Hylsa Posthearing Brief at 1.15. They note in this regard that this data indicates that Hylsa's production of standard pipe declined substantially from 1997 to 1999, while its production of other tubular products increased. This fact indicates that Hylsa is readily able to resume much greater production and shipments of standard pipe. Similarly, Hylsa and the other Mexican producers can significantly increase production by adding or lengthening shifts under favorable market conditions. *Compare* Table CIRC-IV-5, CR at CIRC-IV-13, PR at CIRC-IV-7, *with* Table G-5, CR and PR at Appendix G.

¹⁵⁶ *See* section IV.B., *infra*.

¹⁵⁷ Based upon all the foregoing, and in particular given the relative ease with which producers can switch production among various welded pipe products coupled with substantial production capacity in Mexico, Commissioner Bragg determines that revocation of the order on Mexico would be likely to have a discernible adverse impact on the domestic industry.

¹⁵⁸ Commissioner Askey joins this discussion only with respect to imports from Brazil, Korea, Thailand, and Taiwan.

¹⁵⁹ *See, e.g.*, USITC Pub. 2564 at 24-27 (Brazil, Korea, Mexico, Taiwan, and Venezuela).

¹⁶⁰ CR at CIRC-I-21, PR at CIRC-I-18.

indicated that subject and domestic CWP are interchangeable.¹⁶¹ With respect to geographic overlap, among responding domestic producers, about half indicated that they operate throughout the contiguous 48 states (and some in Alaska), while the rest indicated that their marketing areas were concentrated on either the East or West Coasts.¹⁶² Responding importers were located throughout the United States, principally in California and New York/New Jersey, but also in Texas and the Great Lakes region.¹⁶³ Thirteen out of 21 responding importers reported at least 90 percent of sales within 100 miles of the warehouse or port of entry.¹⁶⁴ CWP is sold through the same channels of distribution, that is, overwhelmingly through distributors, and the one distributor that testified at the hearing indicated that he purchases CWP from multiple domestic and imported sources.¹⁶⁵ With respect to simultaneous presence, the pricing information of record indicates that, in addition to sales of the domestic product, in most calendar quarters from 1997–interim 1999, there were U.S. sales of CWP products 1, 2, 3, and 4 from India, Korea, Taiwan, Thailand, and Turkey; CWP product 5 from India, Korea, and Turkey; and CWP product 6 from India, Korea, Mexico, Taiwan, and Turkey.¹⁶⁶ Although no importers reported prices on sales of products 1–6 from Brazil, there were imports of subject merchandise from Brazil in 1997, 1998, and interim 1999.¹⁶⁷

Based upon the foregoing, we find that there is likely to be a reasonable overlap of competition among the subject imports from Brazil, India, Korea, Mexico, Thailand, Taiwan, and Turkey and between the subject imports and the domestic like product if the orders are revoked.¹⁶⁸

3. Other Considerations¹⁶⁹

We have considered whether other conditions of competition posited by various foreign producers, including differences in dumping margins, differences in economic conditions in the various subject countries, or differences in export marketing patterns since imposition of the orders, should lead

¹⁶¹ Table CIRC-II-6, CR at CIRC-II-22, PR at CIRC-II-14 (indicating that all domestic producers and most importers reported that CWP produced by domestic producers is interchangeable with that produced in subject and nonsubject countries); Table CIRC-II-7, CR at CIRC-II-23, PR at CIRC-II-15 (majority of producers reported no non-price differences between domestic and imported product).

¹⁶² CR at CIRC-II-2, PR at CIRC-II-1.

¹⁶³ CR at CIRC-IV-4, PR at CIRC-IV-4.

¹⁶⁴ CR at CIRC-II-2, PR at CIRC-II-1.

¹⁶⁵ CR at CIRC-II-2, PR at CIRC-II-1; Hearing Tr. at 203–204. Similarly, ***, one of the three largest importers, reported importing from both subject (***) and nonsubject (***) countries. CR at CIRC-IV-4, PR at CIRC-IV-4.

¹⁶⁶ Tables CIRC-V-1–CIRC-V-6, CR at CIRC-V-7–CIRC-V-12, PR at CIRC-V-5–CIRC-V-6.

¹⁶⁷ Table CIRC-IV-1, CR at CIRC-IV-1, PR at CIRC-IV-1.

¹⁶⁸ Commissioner Bragg finds that there is likely to be a reasonable overlap of competition among imports from all eight subject countries, and between subject imports and the domestic like product, in the event of revocation.

¹⁶⁹ Commissioner Bragg does not join section IV.A.3 of these Views.

us to decline to exercise our discretion to cumulate in these reviews.¹⁷⁰ We conclude, however, that the existence of such differences is outweighed by considerations supporting cumulation, including the commodity nature of the product, the high degree of substitutability among the subject imports and the domestic like product, and the existence of excess capacity in all the subject countries.^{171 172}

4. Cumulation Summary

For the reasons discussed above, we cumulate imports from Brazil, India, Korea,¹⁷³ Mexico,¹⁷⁴ Taiwan, Thailand, and Turkey for purposes of these reviews.^{175 176}

B. Conditions of Competition

Domestic demand for CWP is generally dependent on the overall level of construction, and, in particular, the level of spending on non-residential construction.¹⁷⁷ Domestic apparent consumption of CWP in 1998 reached almost 3 million short tons, an increase of more than 23 percent from the level of apparent consumption in 1985 and an increase of more than 56 percent from the level in 1991.¹⁷⁸ Much

¹⁷⁰ See Korean CWP Producers' Posthearing Brief, Exhibit 1 at 3-9; Hearing Tr. at 259-264; Hylsa Prehearing Brief at 7-9; Hylsa Posthearing Brief at 10-11 and 1.5-1.7; Borusan Prehearing Brief at 11-14; Borusan Posthearing Brief at 7-9.

¹⁷¹ In particular, Chairman Koplán and Commissioner Miller do not accept Hylsa's argument that the President's exclusion of Mexico from the recently imposed safeguard duties on imports of line pipe would create significantly different incentives for Mexican CWP producers than for other subject CWP producers with respect to the U.S. market if the orders were revoked. As discussed above, they find that the order has limited the Mexican industry's access to the significant portion of the U.S. market that demands galvanized CWP. They also note that Hylsa's argument is premised on the assumption that foreign producers from countries other than Mexico will significantly reduce their line pipe exports to the United States and thus have a strong incentive to shift production and exports to CWP. Because the safeguard duties on line pipe took effect only recently (March 1, 2000), Chairman Koplán and Commissioner Miller conclude that any assessment of the likely effect of the line pipe safeguard remedy on exports to the United States of CWP from subject countries other than Mexico is premature and speculative.

¹⁷² Vice Chairman Okun and Commissioners Hillman and Askey do not cumulate subject imports from Mexico. For the reasons supporting this decision, see Dissenting Views of Vice Chairman Okun and Commissioners Hillman and Askey.

¹⁷³ Commissioner Hillman did not cumulate imports from Korea with imports from the other subject countries. See Additional Views of Commissioner Jennifer A. Hillman.

¹⁷⁴ Vice Chairman Okun and Commissioners Hillman and Askey dissenting. See their Dissenting Views.

¹⁷⁵ Commissioner Bragg cumulates imports from all eight subject countries for purposes of her review of the orders on CWP.

¹⁷⁶ Commissioner Askey dissenting with respect to India and Turkey.

¹⁷⁷ CR at CIRC-II-15, PR at CIRC-II-9; Hearing Tr. at 59, 206.

¹⁷⁸ Table CIRC-I-1, CR at CIRC-I-5, PR at CIRC-I-5.

of this increase is likely due to the recent boom in construction activity.¹⁷⁹ There is some evidence of record that the rate of growth in construction may now be slowing, but construction spending is predicted to continue growing overall in 2000.¹⁸⁰

As discussed above, CWP is a commodity product made to common industry standards.¹⁸¹ Because CWP accounts for a small share of the cost of downstream construction projects in which it is often used, demand for CWP in construction applications is generally price inelastic.¹⁸²

The principal input in the production of CWP is hot-rolled steel. While prices for hot-rolled steel were relatively low during most of the period for which we collected data in these reviews, the record indicates that hot-rolled prices have been rising since mid- to late-1999.¹⁸³ The record also indicates that increases in CWP prices tend to lag behind increases in prices for hot-rolled coil.¹⁸⁴

Another important condition of competition in this industry is the ability of domestic producers that use the ERW production process to shift capacity on the same mill between multiple welded tubular products. Thus, although some producers specialize in production of CWP, others are able to alter their product mix between CWP and LWR, OCTG, line pipe, mechanical tubing, conduit, and other products depending on market conditions.¹⁸⁵ From a technical standpoint, there is no optimum allocation of capacity among the various products that can be produced on the same ERW mill.¹⁸⁶

We find that the foregoing conditions of competition are likely to prevail for the reasonably foreseeable future and thus provide an adequate basis by which to assess the likely effects of revocation within the reasonably foreseeable future.

¹⁷⁹ See Tables K-1 and K-2, CR and PR at Appendix K.

¹⁸⁰ CWP Domestic Producers' Prehearing Brief at 47-49; Hearing Tr. at 87-89; Korean Producers' Prehearing Brief at 6-9; 27-32; Korean Producers' Posthearing Brief at 8-10.

¹⁸¹ CR at CIRC-I-21, PR at CIRC-I-18.

¹⁸² CR at CIRC-II-14 and CIRC-II-27, PR at CIRC-II-8-CIRC-II-9 and CIRC-II-17.

¹⁸³ CR at CIRC-II-1, PR at CIRC-II-1; Hearing Tr. at 40-41, 205-206.

¹⁸⁴ CWP Domestic Producers' Prehearing Brief at 15-16; Hearing Tr. at 40-41, 120.

¹⁸⁵ CR at CIRC-II-3, PR at CIRC-II-2; Hearing Tr. at 53-54, 57, 75. Producers using the CW process, which accounts for about one third of domestic CWP shipments, are more limited in their ability to produce alternate products. Domestic CWP Producers' Posthearing Brief at A-21; CR at CIRC-II-3, PR at CIRC-II-2.

¹⁸⁶ CR at CIRC-I-22, PR at CIRC-I-19; Hearing Tr. at 33-34, 53-54, 57, 58-59. In this regard, we note the President's decision on February 18, 2000, to impose safeguard duties on imports of line pipe. See Proclamation 7274 of February 18, 2000, to Facilitate Positive Adjustment to Competition from Imports of Certain Circular Welded Carbon Quality Line Pipe, 65 Fed. Reg. 9193 (Feb. 23, 2000). The safeguard relief ordered by the President imposes additional duties of 19 percent in the first year, 15 percent in the second year, and 11 percent in the third year on all imports of line pipe from a particular country totaling more than 9,000 tons annually. The duties apply to line pipe from all countries except Mexico and Canada.

C. Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey^{187 188 189}

For the reasons stated below, we determine that revocation of the orders on CWP from Brazil, India,¹⁹⁰ Korea, Mexico,¹⁹¹ Taiwan, Thailand, and Turkey¹⁹² would be likely to lead to continuation or recurrence of material injury to the domestic injury within a reasonably foreseeable time.¹⁹³

1. Likely Volume of Subject Imports

The Commission's volume analysis in the original investigations focused on the subject imports' ability to increase their U.S. market presence rapidly in terms of both volume and market share.¹⁹⁴ The orders have clearly had a restraining effect on subject import volumes: the total volume of imports from all countries subject to these reviews (excluding Venezuela) was 803,877 short tons in 1985, 481,482 short tons in 1991, and 279,847 short tons in 1998.¹⁹⁵ Although we do not have comprehensive data on

¹⁸⁷ Vice Chairman Okun joins this section with respect to imports of the subject merchandise from Brazil, India, Korea, Taiwan, Thailand, and Turkey, but not Mexico. With respect to imports of the subject merchandise from Mexico, *see* the Dissenting Views of Vice Chairman Okun and Commissioners Hillman and Askey.

¹⁸⁸ Commissioner Hillman does not join this section. *See* Separate Views of Commissioner Jennifer A. Hillman with respect to Circular Welded Pipe and Tube from Brazil, India, Korea, Taiwan, Thailand, and Turkey.

¹⁸⁹ Commissioner Askey joins this section only with respect to imports from Brazil, Korea, Taiwan and Thailand. As discussed above, Commissioner Askey found that the subject imports of CWP from India and Turkey are not likely to have a discernible adverse impact on the domestic industry if the antidumping and countervailing duty orders covering these imports are revoked. Accordingly, she has not cumulated those subject imports with the other subject imports for purposes of her sunset analysis. In addition, for the reasons she outlined previously, she finds that the subject imports from India and Turkey are not likely to have significant adverse volume or price effects on the domestic industry after revocation of the orders. Accordingly, she finds that revocation of the orders on the subject imports from India and Turkey would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. *See* notes 142 and 147, *supra*. With respect to Mexico, *see* the Dissenting Views of Vice Chairman Okun and Commissioners Hillman and Askey.

¹⁹⁰ Commissioner Askey dissenting.

¹⁹¹ Vice Chairman Okun and Commissioners Hillman and Askey dissenting. *See* Dissenting Views of Vice Chairman Okun and Commissioners Hillman and Askey.

¹⁹² Commissioner Askey dissenting.

¹⁹³ Commissioner Bragg finds that the following discussion of likely volume and price effects, as well as the likely impact if the orders on CWP from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey are revoked, is only strengthened when likely imports from Venezuela are included in the analysis. Accordingly, based upon a cumulative analysis and for the reasons stated below, Commissioner Bragg finds that revocation of the orders on CWP from all eight subject countries would be likely to lead to continuation or recurrence of material injury to the domestic CWP industry within a reasonably foreseeable time.

¹⁹⁴ USITC Pub. 1519 at 14; Confidential Report, Inv. Nos. 701-TA-253 and 731-TA-252 (Final) (Feb. 5, 1986) at I-19 and I-22; USITC Pub. 1839 at 12-13; USITC Pub. 2564 at 34-35.

¹⁹⁵ Table D-1, CR and PR at Appendix D. We note that imports from the countries subject to these reviews were not all "subject" imports in each of the prior periods of investigation. Accordingly, we have relied on official
(continued...)

the market share of cumulated imports from all the subject countries in either 1985 or 1991, the record shows that the market share of cumulated imports from Brazil, Korea, Mexico, and Taiwan alone (excluding certain small diameter CWP subject to an earlier order) was 24.2 percent in 1991, while the market share for all cumulated subject imports in 1998 was 9.4 percent.¹⁹⁶ Meanwhile, the domestic industry's U.S. market share has increased from 41.1 percent in 1985 to 63.1 percent in 1991 and 73.0 percent in 1998.¹⁹⁷

In these reviews, several factors have prevented us from assembling a single consistent and comprehensive set of capacity data for subject producers of CWP. These factors include: (1) the lack of participation by some subject CWP producers, including the entire industries of Brazil, Taiwan, and Thailand; (2) the need for producers to allocate capacity among multiple welded tubular products produced on the same mill and the lack of any single generally accepted methodology for doing so in the face of changing product mixes over time; and (3) differences between theoretical and practical capacity depending on the lengths and number of shifts, scheduled and unscheduled down time, and other factors. Nevertheless, although we thus cannot simply aggregate capacity figures for all subject producers, the available capacity data lead us to conclude that subject producers have the capability to increase substantially their shipments to the United States over current levels if the orders are revoked.

With respect to participating subject producers in India, Korea, Mexico, and Turkey, reported cumulated capacity to produce CWP in 1998 was *** short tons, of which *** short tons was excess capacity. In interim 1999, the same producers reported total capacity of *** short tons, of which *** short tons—the equivalent of *** percent of U.S. apparent consumption—was excess capacity.¹⁹⁸ In addition, participating producers from *** and *** stated that nonparticipating producers in their countries accounted for additional capacity of at least *** short tons in 1998.¹⁹⁹ Given the ability of many producers to shift capacity between multiple pipe products on the same mill depending on market conditions, we also take note of the fact that, in addition to capacity allocated to the production of CWP, responding producers reported an additional *** short tons of production using capacity allocated to nonsubject welded tubular products 16 inches and under in diameter in 1998, and *** short tons of such production in interim 1999.²⁰⁰

With respect to CWP producers in Brazil, Taiwan, and Thailand, none of which participated in these reviews, public data indicate that their aggregate theoretical capacity to produce products within

¹⁹⁵ (...continued)

statistics rather than the data in Table CIRC-I-1 for this comparison. We also note that, contrary to the Korean CWP producers' argument, the relatively low dumping margins applicable to some Korean producers have not resulted in a continuation of pre-order import levels. *Compare* Korean CWP Producers' Prehearing Brief at 13, *with* Table CIRC-I-1, CR at CIRC-I-5, PR at CIRC-I-5.

¹⁹⁶ Table CIRC-I-1, CR at CIRC-I-5, PR at CIRC-I-5. Data have been adjusted to exclude Venezuela.

¹⁹⁷ Table CIRC-I-1, CR at CIRC-I-5, PR at CIRC-I-5.

¹⁹⁸ Table CIRC-I-1, CR at CIRC-I-5, PR at CIRC-I-5; Tables CIRC-IV-3, CIRC-IV-4, CIRC-IV-5, and CIRC-IV-6, CR at CIRC-IV-9–CIRC-IV-15, PR at CIRC-IV-6–CIRC-IV-7.

¹⁹⁹ CR at CIRC-IV-12, PR at CIRC-IV-6–CIRC-IV-7; Table CIRC-IV-5, CR at CIRC-IV-13, PR at CIRC-IV-7; CR at CIRC-IV-14, PR at CIRC-IV-7; Table CIRC-IV-6, CR at CIRC-IV-15, PR at CIRC-IV-7.

²⁰⁰ Tables J-1, J-2, J-3, and J-4, CR and PR at Appendix J.

the size range of CWP is approximately 2,920,000 short tons.^{201 202} Although we recognize that these data are not directly comparable to those for participating producers, they nevertheless demonstrate the existence of substantial pipe and tube production capacity in these countries. Moreover, record information indicates that overcapacity is a significant problem for Taiwan's pipe and tube industry²⁰³ and that Thailand is a large exporter of welded pipe products.²⁰⁴

Overall, we conclude that the likely volume of subject imports would be significant both in absolute terms and relative to consumption in the United States if the orders are revoked. We base this conclusion on a number of factors, including: the demonstrated ability of producers in all the subject countries (excluding Venezuela) to increase their U.S. market penetration rapidly; the existence of very large capacity allocated to the production of CWP, including significant excess capacity, in the subject countries; the existence of additional subject capacity allocated to production of nonsubject welded tubular products which could be reallocated to CWP production; the demonstrated export-orientation of a number of the subject industries; the restraining effect that these orders have had on subject import volumes; and the attractiveness of the large and growing U.S. CWP market as an outlet for excess production.²⁰⁵

2. Likely Price Effects of Subject Imports

In the original investigations, the Commission found that subject imports from Brazil, India, Korea, Mexico, Taiwan, Thailand and Turkey generally undersold the domestic like product and that,

²⁰¹ Tables G-2, G-7, and G-8, CR and PR at Appendix G.

²⁰² Based upon this public data, Commissioner Bragg infers that subject producers in Brazil, Taiwan, and Thailand have substantial capacity with which to direct significant volumes of CWP exports to the U.S. market in the event of revocation.

²⁰³ CR at CIRC-IV-7, PR at CIRC-IV-5.

²⁰⁴ Table H-1, CR and PR at Appendix H (showing the United States as Thailand's largest export market in 1996 and 1997).

²⁰⁵ In this regard, we take particular notice of the fact that, although recent information of record suggests that demand for CWP in Korea is recovering from very low levels in 1998 and early 1999, Korean home market demand does not appear to have recovered to its 1997 (pre-crisis) level. *See* Table CIRC-IV-4, CR at CIRC-IV-11, PR at CIRC-IV-6 (showing home market shipments for the first 9 months of 1999 were *** the level for full-year 1997); Domestic CWP Producers' Posthearing Brief at 11; Hearing Tr. at 106-107; *compare* Confidential Report, Inv. Nos. 731-TA-532-537 (Final) (Oct. 8, 1992) at I-59, Table 15 (Korean home market shipments were *** short tons in 1991), *with* Table CIRC-IV-4, CR at CIRC-IV-11, PR at CIRC-IV-6 (Korean home market shipments were *** short tons in 1997 and *** short tons in 1998). We also are not persuaded by the Korean CWP producers' argument that China is likely to provide a large and profitable export market for Korean CWP in the reasonably foreseeable future and that Korean exports to the United States are therefore not likely to be significant. The only evidence Korean producers were able to provide in support of this assertion was generalized statements that China will decrease its overall tariff level (not its tariff on CWP specifically) when it joins the WTO and that China is engaged in substantial infrastructure development. Korean CWP Producers' Prehearing Brief at 16; Korean CWP Producers' Posthearing Brief at 14. By contrast, the record shows that China itself is already a significant exporter of CWP and that Korean CWP exports to China in 1998 were less than 19,000 short tons, compared with exports to the United States of *** short tons. Table H-1, CR and PR at Appendix H; Table CIRC-IV-4, CR at CIRC-IV-11, PR at CIRC-IV-6; Table CIRC-IV-1 at note 4, CR at CIRC-IV-3, PR at CIRC-IV-3.

because of the price-sensitive nature of the U.S. CWP market, underselling by subject imports resulted in both significant price depression and lost market share for the domestic industry.²⁰⁶

The domestic market for CWP remains as price sensitive today as the Commission found it to be in the original investigations. As discussed above, CWP is a commodity product produced to standard specifications.²⁰⁷ Almost all the responding domestic and foreign producers indicated that subject and domestic CWP are interchangeable.²⁰⁸ Purchasers reported that both quality and price are important to their purchasing decisions, and uniformly responded that subject imports are lower priced than domestic CWP.²⁰⁹ In addition, the majority of responding domestic producers and virtually all importers reported that CWP is sold on a spot basis, rather than under contract.²¹⁰ Finally, as discussed above, demand for CWP is price inelastic.²¹¹ Based on these market characteristics, we conclude that sustained underselling by even a relatively small volume of imports in this market is likely to have a significant suppressing or depressing effect on domestic prices in the event of revocation.

During the period examined in these reviews, U.S. prices for both the subject imports and the domestic like product generally declined. Pricing data show that, even with the orders in place, subject imports undersold the domestic like product in the majority of comparisons during the period 1997–interim 1999, confirming purchasers’ impression that subject imports tend to be lower priced than the domestic like product. Instances of underselling were particularly prevalent with respect to products 1, 2, and 6, which reflected the highest volumes of subject imports.²¹² Based on the pervasive underselling by subject imports during the original investigations and even during the period examined in these reviews, we conclude that there would likely be significant price underselling by imports of the subject merchandise if the orders were revoked. Moreover, in light of the price-sensitive nature of the market and the inelasticity of demand for CWP, we conclude that subject imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the prices of the domestic like product if the orders were revoked.

3. Likely Impact of Subject Imports

In the original investigations of CWP from Taiwan (certain small diameter), India, Thailand, and Turkey, the Commission found that, due to falling prices and declining market share, the domestic industry was unable to operate profitably despite rising apparent consumption, capacity, capacity

²⁰⁶ USITC Pub. 1519 at 15–16; Inv. Nos. 701-TA-253 and 731-TA-252 (Final), Confidential Report (Feb. 5, 1986) at I-23–I-29; USITC Pub. 1839 at 13–14; USITC Pub. 2564 at 35–36.

²⁰⁷ CR at CIRC-I-23, PR at CIRC-I-19.

²⁰⁸ Table CIRC-II-6, CR at CIRC-II-22, PR at CIRC-II-14; Table CIRC-II-7, CR at CIRC-II-23, PR at CIRC-II-15.

²⁰⁹ Table CIRC-II-3, CR at CIRC-II-16, PR at CIRC-II-10; Table CIRC-II-5, CR at CIRC-II-20, PR at CIRC-II-12.

²¹⁰ CR at CIRC-V-4, PR at CIRC-V-3.

²¹¹ CR at CIRC-II-26–CIRC-II-27, PR at CIRC-II-17.

²¹² Tables CIRC-V-1–CIRC-V-6, CR at CIRC-V-7–CIRC-V-12, PR at CIRC-V-5–CIRC-V-6.

utilization, production, and shipments.²¹³ In the original investigations of CWP from Brazil, Korea, Mexico, Taiwan (other than certain small diameter), and Venezuela, the Commission found that both production and employment-related trends and the industry's operating income margin declined irregularly over the period of investigation, although the industry continued to experience positive operating income margins.²¹⁴ The Commission found that falling prices in the U.S. market contributed to the domestic industry's worsening financial performance without preventing its losses in market share.²¹⁵

The industry's condition has improved markedly since the original investigations. The domestic industry has increased its U.S. market share from 41.1 percent in 1985 and 63.1 percent in 1991 to 73.0 percent in 1998 and 73.8 percent in interim 1999. Production capacity has risen from 1,824,000 short tons in 1985 and 1,886,781 short tons in 1991 to 3,039,075 short tons in 1998. At the same time, capacity utilization has risen from 55.0 percent in 1985 and 63.7 percent in 1991 to 73.2 percent in 1998. The industry's operating income margin, although declining between 1997 and interim 1999, has remained consistently higher than during any of the previous periods of investigation.²¹⁶ Domestic producers uniformly testified that, since imposition of the orders, they have been able to expand and modernize capacity.²¹⁷ We find that this improvement in the state of the industry is due both to the existence of the orders and to the recent surge in demand for construction materials. We further find that, given its present condition, the domestic CWP industry is not vulnerable to material injury if the orders are revoked.

Nevertheless, given the generally substitutable nature of the subject and domestic product and the inelasticity of demand for CWP, we find that the significant volume of low-priced subject imports, when combined with the expected adverse price effects of those imports, would have a significant adverse impact on the production, shipments, sales, and revenue levels of the domestic industry. This reduction in the industry's production, sales, and revenue levels would have a direct adverse impact on the industry's profitability and employment levels, as well as its ability to raise capital and make and

²¹³ USITC Pub. 1519 at 7-9; USITC Pub. 1810 at 7-9; USITC Pub. 1839 at 7-9, 14-15.

²¹⁴ USITC Pub. 2564 at 18-20.

²¹⁵ USITC Pub. 2564 at 36.

²¹⁶ Table CIRC-I-1, CR at CIRC-I-5, PR at CIRC-I-5. The industry's operating income margin was 1.1 percent in 1985, 5.7 percent in 1991, 9.8 percent in 1997, 9.0 percent in 1998, and 8.5 percent in interim 1999, compared with 9.2 percent in interim 1998.

²¹⁷ Hearing Tr. at 27-29, 30-31, 35-36. The record does not bear out the Korean CWP producers' claim that there has been a significant shift in the structure of the industry from integrated to non-integrated producers during the 1990s. Korean CWP Producers' Prehearing Brief at 9-10 (defining an integrated producer as one that melts its own steel). The Korean CWP producers' estimates of the share of domestic net sales value attributable to integrated producers in 1998 is not based on the same definition of an integrated producer used in the 1991-1992 investigations. See Confidential Report, Inv. Nos. 731-TA-532-537 (Final) (Oct. 8, 1992) at I-45 (defining an integrated producer as a producer that obtains *any* of the hot-rolled *sheet* it uses to make CWP from an affiliated hot-rolling mill). Using the same definition, assuming that producers that were considered integrated in the original investigations are still integrated absent contrary information on the record in these reviews, and excluding *** from the 1989-1992 data, as urged by the domestic CWP producers (Domestic CWP Producers' Posthearing Brief at A-26), the current integrated producers are California Steel, IPSCO, Laclede, Lone Star, LTV, Maruichi, Newport, and USX. Integrated producers accounted for *** percent of domestic net sales value in 1991, compared with *** percent in 1998. Compare Confidential Report, Inv. Nos. 731-TA-532-537 (Final) (Oct. 8, 1992) at I-48, Table 10, with Table CIRC-III-7, CR at CIRC-III-9, PR at CIRC-III-7.

maintain necessary capital investments. Accordingly, we conclude that, if the antidumping and countervailing duty orders are revoked, the subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

D. Venezuela ²¹⁸

As discussed above, we find that imports from Venezuela are likely to have no discernible adverse impact on the domestic industry if the order is revoked. Accordingly, we do not cumulate any likely imports from Venezuela with those from the other subject countries.

We find that the volume of imports of CWP from Venezuela is not likely to change to a significant degree as a result of revocation of the antidumping duty order. As discussed above, the U.S. market share of imports from Venezuela never exceeded 0.9 percent in any of the full years during the original period of investigation. Venezuelan CWP production capacity is relatively modest and, in contrast to the original period of investigation, is now largely committed to home and established third-country markets.²¹⁹ The 1995 revocation of an EU antidumping duty order on imports of CWP from Venezuela reopened an alternate market to the United States for excess production, and the Venezuelan industry already has customers in Spain. In light of rising world oil prices, we also find that product shifting in favor of greater CWP production is not likely in the reasonably foreseeable future, in view of the ability of Conduven, the major Venezuelan producer, to use the same production facilities to make OCTG for the Venezuelan oil industry.²²⁰

Nor do we find that subject imports from Venezuela are likely to have any adverse effects on domestic prices. Due to the extremely low level of subject imports from Venezuela during the period examined in these reviews, no pricing data were reported for sales of Venezuelan CWP.²²¹ During the original investigation, Venezuelan CWP undersold the domestic like product in the majority of comparisons.²²² Nevertheless, we find that the likely volume of subject imports of CWP from Venezuela would be too small to have any adverse effect on domestic CWP prices, even if the imports from Venezuela were to undersell the domestic like product.

As discussed above, we find that the domestic industry is not presently vulnerable to material injury. Because we have concluded that no significant adverse volume or price effects are likely to occur if the order were revoked, we likewise find it unlikely that subject imports from Venezuela would have an adverse impact on the domestic industry. We therefore determine that revocation of the antidumping duty order on CWP from Venezuela is not likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

²¹⁸ Commissioner Bragg does not join section IV.D of these Views. *See* note 140, *supra*.

²¹⁹ CR at CIRC-IV-16, PR at CIRC-IV-7; *compare* Confidential Report, Inv. Nos. 731-TA-532-537 (Final) (Oct. 8, 1992) at I-63, *with* Table CIRC-IV-7, CR at CIRC-IV-17, PR at CIRC-IV-8.

²²⁰ Conduven Prehearing Brief at 4-9; Table H-1, CR and PR at Appendix H.

²²¹ CR at CIRC-V-6, PR at CIRC-V-4.

²²² Confidential Report, Inv. Nos. 731-TA-532-537 (Final) (Oct. 8, 1992) at I-97-I-101, Tables 29-32.

V. LIGHT-WALLED RECTANGULAR PIPE AND TUBE²²³

A. Cumulation

In these reviews, the statutory requirement that all of the LWR reviews be initiated on the same day is satisfied. For the reasons discussed below, we find that subject imports from Singapore are likely to have no discernible adverse impact on the domestic industry if the relevant order is revoked and therefore do not cumulate subject imports from Singapore with those from Argentina and Taiwan.²²⁴ We further find that there is likely to be a reasonable overlap of competition between subject imports from Argentina and Taiwan if the orders are revoked and that other considerations warrant the exercise of our discretion to cumulate such imports.²²⁵

1. No Discernible Adverse Impact²²⁶

In the original investigation, the only pipe producer in Singapore known to have exported LWR to the United States was Steel Tubes of Singapore (STS).²²⁷ The record indicates that STS has since been liquidated.²²⁸ There have been no imports of LWR from Singapore since 1991.²²⁹ The limited public information available indicates that the remaining firms in Singapore even capable of producing LWR are small, with a total theoretical capacity in 1997 of only 68,000 short tons.²³⁰ There is no evidence that these remaining producers have ever exported LWR to the United States. For all these reasons, we find that subject imports from Singapore are likely to have no discernible adverse impact on the domestic industry if the order is revoked.

²²³ Commissioner Askey joins subsections A, B, and D of this section. For her views regarding the likelihood of continuation or recurrence of material injury to the domestic industry with respect to the orders on LWR from Argentina and Taiwan, see her Dissenting Views.

²²⁴ Commissioner Bragg finds that revocation of the order on Singapore would be likely to have a discernible adverse impact on the domestic LWR industry. Commissioner Bragg notes that record evidence indicates there is roughly *** short tons of production capacity for welded carbon steel pipes and tubes in Singapore, which includes production capacity for LWR; this amount is equivalent to roughly *** percent of the domestic industry's U.S. shipments in 1998. Table C-3, CR and PR at Appendix C; Table G-6, CR and PR at Appendix G. Based upon the foregoing, Commissioner Bragg determines that revocation of the order on Singapore would be likely to result in a discernible adverse impact on the domestic industry.

²²⁵ Commissioner Bragg cumulates imports from all three subject countries for purposes of her review of the orders on LWR.

²²⁶ Commissioner Bragg does not join section V.A.1 of these Views.

²²⁷ Confidential Report in Inv. No. 731-TA-296 (Final) (Oct. 14, 1986) at a-9.

²²⁸ CR at LWR-IV-5, PR at LWR-IV-3.

²²⁹ Table D-3, CR and PR at Appendix D.

²³⁰ Table G-6, CR and PR at Appendix G. Comparing the 1997 public information with the record in the original investigation indicates that the number of LWR producers in Singapore has declined since the original investigation. See Confidential Report in Inv. No. 731-TA-296 (Final) at a-11.

2. Reasonable Overlap of Competition

In the original investigations of LWR from Argentina and Taiwan, the two Commissioners finding present material injury found that the requirements for cumulation were satisfied. Specifically, they found that domestic and subject LWR were fungible; imports from Argentina and Taiwan frequently entered the United States through the same ports and were sold in the same markets; a substantial portion of the subject imports were sold to end-users through steel service centers; and subject imports from both countries were present in increasing numbers throughout the period of investigation. They also noted that neither of the respondents disputed the propriety of cumulation.²³¹

With respect to fungibility, the record continues to indicate that LWR is a commodity product made to ASTM or similar specifications.²³² Although little subject product has been available in the U.S. market in recent years, all responding domestic producers and importers indicated that the subject imports and the domestic product are interchangeable and that there are no non-price differences between them.²³³ With respect to geographic overlap, the record indicates that domestic production and consumption is concentrated on the West Coast and in the Southwest, with only one U.S. producer reporting that it serves the entire U.S. market.²³⁴ Imports (mainly nonsubject) were also entered principally in this region (especially Texas).²³⁵ Most LWR is sold through the same channels of distribution, principally distributors, with some sales to end users.²³⁶ Because there were virtually no subject imports during the period examined, it cannot be said that imports were simultaneously present in the U.S. market during that period. As noted above, however, the relevant inquiry is whether such imports would be likely to be simultaneously present if the orders are revoked, as the Commission found imports from Argentina and Taiwan to be in the original investigations.

Based on their fungibility, geographic overlap, and common channels of distribution, we find that there is likely to be a reasonable overlap of competition between the domestic like product and the subject imports from Argentina and Taiwan if the orders are revoked.²³⁷

3. Other Considerations²³⁸

No party posited any other considerations that would warrant not exercising our discretion to cumulate subject imports from Argentina and Taiwan in these reviews. Consistent with the commodity nature of the product, the limited information of record does not reveal any significant differences in the

²³¹ USITC Pub. 2169 at 7–9 (Taiwan) (Views of Commissioners Brunsdale and Cass); USITC Pub. 2187 at 6–8 (Argentina) (Views of Commissioners Brunsdale and Cass). Two additional Commissioners made affirmative threat determinations.

²³² CR at LWR-I-12, PR at LWR-I-10.

²³³ Tables LWR-II-4 and LWR-II-5, CR at LWR-II-7, PR at LWR-II-5.

²³⁴ CR at LWR-II-1, PR at LWR-II-1; Hearing Tr. at 39–40, 80–81.

²³⁵ CR at LWR-IV-1, PR at LWR-IV-1.

²³⁶ CR at LWR-II-1, PR at LWR-II-1.

²³⁷ Commissioner Bragg finds that there is likely to be a reasonable overlap of competition among imports from all three subject countries, and between subject imports and the domestic like product, in the event of revocation.

²³⁸ Commissioner Bragg does not join section V.A.3 of these Views.

conditions of competition under which subject imports from Argentina and Taiwan would be likely to compete in the U.S. market if the orders were revoked. For all these reasons, we cumulate subject imports from Argentina and Taiwan for purposes of these reviews.

B. Conditions of Competition

As in the case of CWP, domestic demand for LWR is generally related to construction, although demand for LWR may be more closely related to residential construction demand than is the case for CWP.²³⁹ Apparent U.S. consumption of LWR has nearly doubled since the original investigations, rising from 288,446 short tons in 1987 to 564,898 short tons in 1998.²⁴⁰ Much of this increase is likely due to the recent boom in construction activity.²⁴¹ Record evidence suggests that the rate of growth in construction demand may be beginning to slow.²⁴²

As discussed above, LWR is a commodity product produced to standard specifications.²⁴³ Because LWR accounts for a small share of the cost of downstream construction projects in which it is often used, demand for LWR in construction applications is generally price inelastic.²⁴⁴

As is the case with CWP, the principal input in the production of LWR is hot-rolled steel. While prices for hot-rolled steel were relatively low during most of the period for which we collected data in these reviews, the record indicates that hot-rolled prices have been rising since mid- to late-1999.²⁴⁵

During the periods for which data were collected in the original investigations, the U.S. market share held by nonsubject imports declined from 32 percent to 18 percent. By 1998, the market share held by nonsubject imports had risen to more than 28 percent, with their market share rising to 33.1 percent in interim (Jan.–Sept.) 1999. The principal sources of nonsubject imports in 1998 and interim 1999 were Mexico and Canada.^{246 247}

²³⁹ CR at LWR-II-4, PR at LWR-II-3; Domestic LWR Producers' Prehearing Brief at 1, 10–11; Hearing Tr. at 39–41, 80–81, 120; Domestic LWR Producers' Posthearing Brief at A-20.

²⁴⁰ Table LWR-I-1, CR at LWR-I-5, PR at LWR-I-4.

²⁴¹ See Tables K-1 and K-2, CR and PR at Appendix K.

²⁴² Domestic LWR Producers' Prehearing Brief at 1, 10–11; Hearing Tr. at 39–41, 80–81, 120; Domestic LWR Producers' Posthearing Brief at A-20.

²⁴³ CR at LWR-I-12, PR at LWR-I-10.

²⁴⁴ Domestic LWR Producers' Prehearing Brief at 6.

²⁴⁵ CR at LWR-II-1, PR at LWR-II-1; Hearing Tr. at 40–41.

²⁴⁶ Table LWR-I-1, CR at LWR-I-5, PR at LWR-I-4.

²⁴⁷ Commissioner Askey also notes that the industry is divided regionally, with production concentrated on the West Coast. Six of 10 responding domestic producers that provided data on market areas reported that they primarily served the West Coast and only one domestic producer reported that it serves the entire U.S. market. CR at LWR-II-1, PR at LWR-II-1. Accordingly, inter-company competition is somewhat limited, providing some insulation from competition among domestic producers. Moreover, she notes that domestic production of LWR is highly concentrated; of the 13 firms reporting production of LWR, the largest accounted for *** percent of reported production in 1998 and the three largest accounted for 53 percent. CR at LWR-II-2, PR at LWR-II-2.

We find that the foregoing conditions of competition are likely to prevail for the reasonably foreseeable future and thus provide an adequate basis by which to assess the likely effects of revocation within the reasonably foreseeable future.

C. Argentina and Taiwan^{248 249}

1. Likely Volume of Subject Imports

In the original investigations, the two Commissioners who found present material injury cumulated imports of LWR from Argentina and Taiwan and concluded that the effect of cumulated subject imports had been to reduce sales of domestic LWR in the United States significantly.²⁵⁰ The volume of cumulated subject imports from Argentina and Taiwan rose rapidly from 527 short tons in 1985 to 11,821 short tons in 1986 and 29,514 short tons in 1987, and was 41,371 short tons in interim (Jan.–Sept.) 1988, compared with 14,861 short tons in interim 1987.²⁵¹ The cumulated market share of imports from Argentina and Taiwan surged from 0.2 percent in 1985 to 16.7 percent in interim 1988.²⁵²

The antidumping duty orders have clearly had a restraining effect on the volume of subject imports from Argentina and Taiwan. Following imposition of the orders, imports of LWR from Argentina fell to zero in 1989 and have been zero ever since.²⁵³ Imports of LWR from Taiwan fell to 5,375 short tons in 1989, then rose again to 14,188 short tons in 1990. After Commerce revised the dumping margin for the principal Taiwan exporter significantly upward in an annual review, subject imports from Taiwan fell from 8,519 short tons in 1991 to 2,620 short tons in 1992 and have been minimal or zero thereafter.²⁵⁴

We conclude that subject producers have the capability and incentive to increase substantially their LWR shipments to the United States if the orders are revoked. In 1988, the combined reported LWR production capacity of the participating Argentine and Taiwan producers was 276,472 short tons.²⁵⁵ The limited public data available in these reviews indicate that the Argentine industry's capacity to produce noncircular welded pipes and tubes, including LWR, was 356,000 short tons in 1998, and that the combined theoretical capacity of the Argentine and Taiwan pipe industries to produce welded carbon

²⁴⁸ Commissioner Bragg finds that the following discussion of likely volume and price effects, as well as the likely impact if the orders on LWR from Argentina and Taiwan are revoked, is only strengthened when likely imports from Singapore are included in the analysis. Accordingly, based upon a cumulative analysis and for the reasons stated below, Commissioner Bragg finds that revocation of the orders on LWR from all three subject countries would be likely to lead to continuation or recurrence of material injury to the domestic LWR industry within a reasonably foreseeable time.

²⁴⁹ Commissioner Askey does not join this section. See her Dissenting Views.

²⁵⁰ USITC Pub. 2187 at 9, 11.

²⁵¹ Confidential Report in Inv. No. 731-TA-410 (Final) (Mar. 6, 1989), Table 14 at A-39.

²⁵² USITC Pub. 2169 at 25; Table LWR-I-1, CR at LWR-I-5, PR at LWR-I-4.

²⁵³ Table D-3, CR and PR at Appendix D.

²⁵⁴ Table D-3, CR and PR at Appendix D; CR and PR, Appendix F at F-9.

²⁵⁵ Confidential Report in Inv. No. 731-TA-410 (Final) (Mar. 6, 1989), at A-31 and A-37, Tables 11 and 12.

steel pipe in the size range applicable to LWR exceeded 1.5 million short tons in 1997.²⁵⁶ Furthermore, the limited record information available to us suggests that there is excess production capacity for welded carbon steel pipe and tube products in both countries, including over 90,000 short tons of excess capacity for noncircular welded pipes and tubes in Argentina in 1998.^{257 258}

In light of the previous demonstrated interest of Argentine and Taiwan LWR producers in the U.S. market, their demonstrated ability to increase exports to the United States rapidly, the restraining effect of the orders on the volume of cumulated subject imports, and the existence of significant excess capacity in both countries, we conclude that the volume of cumulated subject imports from Argentina and Taiwan is likely to reach significant levels within a reasonably foreseeable time if the antidumping duty orders are revoked.

2. Likely Price Effects of Subject Imports

In the original investigations, cumulated subject imports undersold the domestic like product in all possible comparisons.²⁵⁹ The two Commissioners who reached affirmative present injury determinations found that subject imports had suppressed prices for the domestic like product.²⁶⁰

Due to the absence of current LWR imports from Argentina and Taiwan, as well as the lack of participation in these reviews by subject producers, we were unable to obtain meaningful current pricing or average unit value information on such imports. Nevertheless, in light of the commodity nature of the product, the inelasticity of domestic demand for LWR, and the demonstrated willingness of subject producers to undersell the domestic like product in order to gain market share during the original investigations, we conclude that, if the orders are revoked, there is likely to be significant underselling by the subject imports and that LWR from Argentina and Taiwan is likely to enter the United States at prices that would have a significant depressing or suppressing effect on prices for the domestic like product.

3. Likely Impact of Subject Imports

In the original investigations, the Commission found that a number of industry performance indicators improved between 1985 and 1987, but then declined in interim 1988. The two Commissioners making present material injury determinations found that the industry's health was not so strong as to

²⁵⁶ CR at LWR-IV-4, PR at LWR-IV-3; Tables G-1 and G-7, CR and PR at Appendix G.

²⁵⁷ CR at LWR-IV-4 (U.S. Embassy reports that Argentine noncircular welded pipes and tubes industry operated at 74 percent capacity utilization in 1998), PR at LWR-IV-3; CR at LWR-IV-5 (American Institute in Taiwan reports that overcapacity is a major problem in the Taiwan steel pipe and tube industry), PR at LWR-IV-4.

²⁵⁸ Based upon the data available on the record, including the record in the original investigations, Commissioner Bragg infers that substantial production capacity in Argentina, Singapore, and Taiwan would be used to direct significant volumes of LWR exports to the U.S. market in the event of revocation.

²⁵⁹ Original Report in Inv. No. 731-TA-410 (Final) (Mar. 6, 1989) at A-47-A-48, Tables 17 and 18.

²⁶⁰ USITC Pub. 2169 at 30-31, 35-42; USITC Pub. 2187 at 11.

preclude an affirmative determination, while the two Commissioners making threat determinations found that the industry was in a vulnerable condition.²⁶¹

The condition of the domestic LWR industry has improved significantly since the imposition of the orders, both as a result of the orders themselves and as a result of growing demand in the U.S. construction sector. The domestic industry's production capacity has increased from 320,361 short tons in 1987 to 599,170 short tons in 1998, with production and shipments exhibiting similar rising trends. Employment has increased from 426 production and related workers ("PRWs") in 1987 to 549 PRWs in 1998. While the domestic industry's operating income margin ranged from 2.6 percent to 4.6 percent during the complete years in the period examined in the original investigation, the industry's operating income margin was 9.4 percent in 1997 and 1998 and rose to 10.6 percent in interim 1999.²⁶² Based on these facts, we find that the domestic LWR industry is not currently vulnerable to material injury if the antidumping duty orders are revoked.

Nevertheless, given the generally substitutable nature of the subject and domestic product and the inelasticity of demand for LWR, we find that the significant volume of low-priced subject imports, when combined with the adverse price effects of those imports, would likely have a significant adverse impact on the production, shipments, sales, and revenue levels of the domestic industry. This reduction in the industry's production, sales, and revenue levels would have a direct adverse impact on the industry's profitability and employment levels, as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, we conclude that, if the antidumping duty orders are revoked, the subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

D. Singapore²⁶³

As discussed above, we find that subject imports from Singapore are likely to have no discernible adverse impact on the domestic industry if the order is revoked and therefore do not cumulate such imports with those from Argentina and Taiwan.

In the original investigation, the Commission found that the volume of imports of LWR from Singapore producer STS rose rapidly between 1984 and interim (Jan.–June) 1986, with market share increasing from zero in 1983 to 0.2 percent in 1984, 1.0 percent in 1985, and 3.7 percent in interim 1986.²⁶⁴ Following imposition of the order, imports of LWR from Singapore fell from a high of 5,408 short tons in 1986 to 811 short tons in 1987, 247 short tons in 1988, small amounts in 1989–1991, and zero in every year starting in 1992.²⁶⁵

We find that the volume of imports from Singapore is not likely to change to any significant degree if the order is revoked. As noted above, STS, the only pipe producer in Singapore known to have exported LWR to the United States during the original period of investigation, has since been liquidated. The limited public information available indicates that the remaining firms in Singapore even capable of

²⁶¹ USITC Pub. 2187 at 13, 17–19.

²⁶² Table LWR-I-1, CR at LWR-I-7, PR at LWR-I-6.

²⁶³ Commissioner Bragg does not join section V.D of these Views. *See* note 224, *supra*.

²⁶⁴ USITC Pub. 1907 at 17.

²⁶⁵ Table D-3, CR and PR at Appendix D.

producing LWR are small, with a total theoretical capacity in 1997 of only 68,000 short tons.²⁶⁶ Even assuming any of these remaining producers actually produces LWR, there is no evidence that any of them has ever exported LWR to the United States or would have reason to do so if the order is revoked. Accordingly, we find it unlikely that additional subject exports to the United States would result if the order is revoked. We find, moreover, that subject imports, if any, would be too small in absolute terms to have any adverse effects on domestic LWR prices, or any adverse impact on the domestic LWR industry, particularly in light of the industry's currently strong condition. Thus, we determine that revocation of the antidumping duty order on LWR from Singapore would not be likely to result in continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

VI. OCTG OTHER THAN DRILL PIPE²⁶⁷

A. Cumulation²⁶⁸

In these reviews, the statutory requirement that all of the OCTG other than drill pipe reviews be initiated on the same day is satisfied. We note that Canadian producers have argued that subject imports from Canada are likely to have no discernible adverse impact on the domestic industry if the orders are revoked.²⁶⁹ No party has argued that subject imports from Taiwan are likely to have no discernible adverse impact. We do not reach this issue, however, as we have determined not to cumulate subject imports of OCTG other than drill pipe from Canada and Taiwan due to the significant differences in the conditions of competition under which subject imports from the two countries compete in the U.S. market.

²⁶⁶ Table G-6, CR and PR at Appendix G. Comparing the 1997 public information with the record in the original investigation indicates that the number of LWR producers in Singapore has declined since the original investigation. See Confidential Report in Inv. No. 731-TA-296 (Final) at a-11.

²⁶⁷ Commissioner Bragg does not join section VI of these Views. See Separate and Dissenting Views of Commissioner Lynn M. Bragg.

²⁶⁸ Commissioner Askey does not join this subsection. She finds that imports of OCTG other than drill pipe from Taiwan are likely to have no discernible adverse impact on the domestic industry and, therefore, she is precluded from cumulating imports from Taiwan with those from Canada. During the original investigation, Taiwan's production and exports to the United States were extremely small; in some years, imports from Taiwan represented less than 0.05 percent of domestic consumption. Table OCTG-I-1, CR at OCTG-I-3, PR at OCTG-I-3. Moreover, worldwide exports from Taiwan have been zero or negligible for most of the past 9 years; in 1999, such imports were 2,756 tons. CR at OCTG-IV-8, PR at OCTG-IV-6. However, even if all Taiwan's 1999 worldwide exports had been redirected to the United States, they would have represented less than 2 percent of domestic consumption in 1998 (full-year 1999 data are not available). Table OCTG-I-1, CR at OCTG-I-3, PR at OCTG-I-3. Taiwan producers did not participate, and most available data are aggregate pipe and tube data (*i.e.*, OCTG is not broken out), so there is limited data on the record. The available evidence suggests that there is a sizeable pipe and tube industry in Taiwan that may be suffering from overcapacity problems. CR at OCTG-IV-9, PR at OCTG-IV-6. However, based upon its prior and current exports to the United States, the evidence strongly suggests that the OCTG segment of Taiwan's pipe and tube industry was and remains a small industry and that subject imports from Taiwan are not likely to have a discernible adverse impact on the domestic industry.

²⁶⁹ Stelco Posthearing Brief at 3-4.

In the original investigations, the Commission found that subject imports from the relevant countries competed with each other and with the domestic like product.²⁷⁰ With respect to fungibility, the record continues to indicate that almost all OCTG other than drill pipe is produced to common American Petroleum Institute (“API”) standards,²⁷¹ but, as discussed further below, there is currently no API-certified producer of OCTG other than drill pipe in Taiwan. Thus, although almost all the responding domestic and foreign producers indicated that Canadian and domestic OCTG other than drill pipe are interchangeable, and most purchasers indicated that the U.S. and Canadian product were comparable in most respects, subject imports from Taiwan are too minimal for them to have significant recent experience with the product.²⁷² The record includes information suggesting that Canadian producers are likely to make sales in the northeastern United States, as well as the Gulf Coast and other regions served by the domestic industry.²⁷³ Given the small volume of imports from Taiwan, there is no information in the record on the geographic markets served. Domestic producers and importers of OCTG other than drill pipe reported that the majority of shipments were made to distributors, indicating that sales are made through the same channels of distribution.²⁷⁴ Based on the extremely minimal volume of imports of OCTG other than drill pipe from Taiwan during the period examined, it is difficult to assess whether such imports would be simultaneously present in the U.S. market if the order were revoked. Thus, the record in these reviews raises serious questions as to whether a reasonable overlap of competition would exist if the orders were revoked.

We need not resolve this issue, however, because other considerations lead us to decline to exercise our discretion to cumulate subject imports from Canada and Taiwan in these reviews. First, there are several facilities in Canada which are capable of producing OCTG other than drill pipe and which have current API certification for such products. By contrast, there are currently no API-certified producers of OCTG other than drill pipe in Taiwan.²⁷⁵ Second, while there is a production facility in Canada capable of producing seamless OCTG other than drill pipe, there is no such facility in Taiwan.²⁷⁶ Third, there is a large and growing home market for OCTG other than drill pipe in Canada, while Taiwan has little or no home market.²⁷⁷ Fourth, there is evidence of substantial and increasing integration between U.S. and Canadian producers of OCTG other than drill pipe, as illustrated in the recent merger of Maverick Tube Corporation of the United States (“Maverick”) and Prudential Steel Ltd. of Canada

²⁷⁰ USITC Pub. 1865 at 8–9.

²⁷¹ CR at OCTG-I-16, PR at OCTG-I-13.

²⁷² See generally Tables OCTG-II-2–OCTG-II-5, CR at OCTG-II-7–OCTG-II-10, PR at OCTG-II-5–OCTG-II-7.

²⁷³ Lone Star Posthearing Brief, Responses to Questions at A-18; *** Importer Questionnaire responses.

²⁷⁴ CR at OCTG-II-1, PR at OCTG-II-1.

²⁷⁵ CR at OCTG-II-3, PR at OCTG-II-2; Stelco Posthearing Brief, Exhibit 10, API Handbook (Vol. 7, No. 4), “Manufacturers Authorized to Use the API Monogram on API Specification 5 CT Products.”

²⁷⁶ Hearing Tr. at 295–297; Domestic OCTG Producers’ Posthearing Brief at Exhibit 6, Pipe and Tube Mills of the World (1997) at 581–587.

²⁷⁷ Hearing Tr. at 144; Table OCTG-IV-3, CR at OCTG-IV-7, PR at OCTG-IV-5; CR at OCTG-IV-8; PR at OCTG-IV-6; Algoma Posthearing Submission (Mar. 20, 2000); Stelco Submission of May 16, 2000 at Exhibit 4 (articles reporting rising drilling activity in Nova Scotia, Newfoundland, and western Canada, and rise in Canadian rig count from 217 in March 1999 to 600 in March 2000).

(“Prudential”).²⁷⁸ By contrast, there is no integration between U.S. and Taiwan producers. All of these factors demonstrate that subject imports from Canada and Taiwan would compete in the U.S. market for OCTG other than drill pipe under significantly different conditions of competition. Accordingly we do not exercise our discretion to cumulate such imports.

B. Conditions of Competition

Demand for OCTG other than drill pipe is directly related to the price of oil and gas, making the market for OCTG other than drill pipe a volatile and cyclical one.²⁷⁹ The parties agree that the price of oil and gas affects how many drilling rigs are in operation, and that number, in turn, determines the demand for both OCTG other than drill pipe and drill pipe.²⁸⁰ Low oil prices beginning in 1998 caused a steep drop in drilling activity. This drop in demand was reflected in a 33-percent drop in U.S. apparent consumption of OCTG other than drill pipe from 1997 to 1998 (2.5 million short tons in 1997 to 1.6 million short tons in 1998) and in the oil and gas rig count, which reached its lowest level since the early 1950s in January 1999 (562 active rigs).²⁸¹ Oil and gas prices have significantly recovered since interim 1999, however, resulting in a significant surge in demand for OCTG other than drill pipe.²⁸² The rig count reached 798 in December 1999 and was 830 for the week ending May 12, 2000.²⁸³

The OCTG other than drill pipe industry consists of producers of welded tubes and producers of seamless tubes. Seamless OCTG other than drill pipe is generally used in more severe applications, including both deeper wells and “sour gas” wells.²⁸⁴ The record indicates that there is significant demand for both seamless and welded OCTG other than drill pipe in both the United States and Canada.²⁸⁵

OCTG other than drill pipe is normally produced to API specifications.²⁸⁶ API licenses firms worldwide to use its certification mark, and most users of OCTG other than drill pipe require that the product be marked with the API certification mark.²⁸⁷ In order to obtain an API license, a manufacturer must have a manufacturing quality-control program approved via an on-site audit.²⁸⁸

²⁷⁸ See Joint Press Release of Maverick Tube Corporation and Prudential Steel Ltd. (June 11, 2000), Attachment 2 to Stelco Submission of June 14, 2000; Atlas Submission of June 14, 2000 (articles concerning the Maverick-Prudential merger).

²⁷⁹ Hearing Tr. at 144.

²⁸⁰ CR at OCTG-II-1, PR at OCTG-II-1.

²⁸¹ Lone Star Prehearing Brief at 10.

²⁸² CR at OCTG-II-4–OCTG-II-5, PR at OCTG-II-3; Stelco Submission of May 26, 2000 (American Metals Market of May 15, 2000).

²⁸³ CR at OCTG-II-4–OCTG-II-5, PR at OCTG-II-3; Table K-3, CR and PR at Appendix K; Stelco Prehearing Brief, Exhibits 4-7.

²⁸⁴ See, e.g., Hearing Tr. at 167, 296–298.

²⁸⁵ Hearing Tr. at 167, 296–298, 299–300.

²⁸⁶ CR at OCTG-I-11; PR at OCTG-I-10.

²⁸⁷ CR at OCTG-I-15–OCTG-I-16; PR at OCTG-I-13.

²⁸⁸ CR at OCTG-I-15; PR at OCTG-I-13.

There have been significant changes to the North American market for this product since the mid-1980s. IPSCO, Inc., which accounted for *** of reported Canadian capacity in the original investigation, was excluded from the order in 1996 and is no longer a subject producer.²⁸⁹ Algoma Steel Inc. (“Algoma”), which accounted for *** of the remaining Canadian production reported in the original investigation, ceased production of tubular products in 1999, depriving the Canadian market of its only domestic source of seamless OCTG other than drill pipe.²⁹⁰ Argentine producer Siderca S.A.I.C. (“Siderca”) has recently signed an agreement to lease the Algoma facility, but will not begin producing seamless tubing in Canada until late 2000 or 2001.²⁹¹ In addition, Maverick, a U.S. producer of OCTG other than drill pipe, has recently purchased Prudential, which is currently the largest subject Canadian producer of welded OCTG other than drill pipe.²⁹²

C. Canada

1. Likely Volume of Subject Imports

In the original investigations, imports from Canada increased from *** in 1983 to *** in 1984, and increased to in 1985. Subject imports from Canada as a share of U.S. consumption grew from *** percent in 1983, to *** percent in 1984 and *** percent in 1985.²⁹³ Although the Commission analyzed the volume of imports on a cumulated basis, imports from Canada accounted for the vast majority of cumulated subject imports from Canada and Taiwan.²⁹⁴

Subject imports of OCTG other than drill pipe from Canada have fallen from *** tons in 1985, the year prior to the Commission’s affirmative final determination, to *** tons in 1998.²⁹⁵ As a share of

²⁸⁹ Table OCTG-I-3, CR at OCTG-I-7, PR at OCTG-I-7; Confidential Report, Inv. Nos. 731-TA-275–277 (Final) (May 20, 1986) at A-142–A-143, Table G. In addition, IPSCO’s U.S. subsidiary is now an active U.S. producer of OCTG other than drill pipe. Table OCTG-I-5, CR at OCTG-I-18, PR at OCTG-I-15.

²⁹⁰ CR at OCTG-IV-6, PR at OCTG-IV-5; Confidential Report, Inv. Nos. 731-TA-275–277 (Final) (May 20, 1986) at A-142–A-143, Table G.

²⁹¹ See “Tube Mill Deal a Boost for City - Mayor,” *Sault Star* (June 7, 2000), Attachment to USX Submission of June 14, 2000 (tentative mill start-up date September 2000 dependent on several contingencies); Collective Agreement between Algoma Seamless Tubular Inc. and the United Steelworkers of America at 32 (June 2, 2000), Attachment 1 to Siderca Submission of June 14, 2000 (initial start-up period for mill to last nine months).

²⁹² See Foreign Producer Questionnaires of *** at Question II-18; Joint Press Release of Maverick Tube Corporation and Prudential Steel Ltd. (June 11, 2000), Attachment 2 to Stelco Submissions of June 14, 2000.

²⁹³ Table OCTG-I-1, CR at OCTG-I-3, PR at OCTG-I-3; Confidential Report, Inv. Nos. 731-TA-275–277 (Final) (May 20, 1986) at A-51, Table 17, and A-55, Table 18. We note that the volume of imports of OCTG other than drill pipe and drill pipe were combined in the original investigations pursuant to the product line provision of the statute.

²⁹⁴ Table OCTG-I-1, CR at OCTG-I-3, PR at OCTG-I-3; USITC Pub. 1865 at 12; Confidential Report, Inv. Nos. 731-TA-275–277 (Final) (May 20, 1986) at A-55, Table 18.

²⁹⁵ USX Prehearing Brief at 6 and 8; Table OCTG-I-6, CR at OCTG-I-21, PR at OCTG-I-17. Canadian imports of subject OCTG other than drill pipe were *** tons in interim 1999. Table OCTG-I-6, CR at OCTG-I-21, PR at OCTG-I-17.

U.S. consumption, subject imports from Canada were *** percent in 1997, *** percent in 1998, and *** percent in interim 1999.²⁹⁶

The evidence of record does not demonstrate that there would likely be a significant increase in the volume of subject imports from Canada if the order is revoked. In the reasonably foreseeable future, there will likely be four producers of subject Canadian OCTG other than drill pipe: Prudential, Atlas, Stelco, and Siderca (operating the former Algoma facility).²⁹⁷ Each of these subject producers has a limited ability or incentive to increase imports to the United States significantly, and together they are not likely to export significant quantities of the subject product to the United States in the reasonably foreseeable future.

Prudential, the largest subject producer of Canadian welded OCTG other than drill pipe, has recently been purchased by Maverick, a U.S. company with substantial production facilities.²⁹⁸ It is not likely that the new Canadian affiliate of Maverick (Prudential (Canada)) will export OCTG other than drill pipe to the United States in competition with Maverick's U.S. product. Indeed, the record evidence indicates that the former Prudential facility will continue to primarily serve the Canadian market.²⁹⁹

Although Atlas is not an insignificant producer of subject merchandise, it is not API-certified and has indicated that it has no intention of becoming API-certified.³⁰⁰ Non-API-certified products account for a very minor share of the U.S. market for OCTG other than drill pipe.³⁰¹ Accordingly, we find that the likely volume of subject imports from Atlas if the antidumping duty order was revoked would not be significant.

Stelco is a very small producer of OCTG other than drill pipe and has recently shut down one of its large-diameter production facilities.³⁰² Furthermore, Stelco's recent imports have been of a product for which U.S. producers reported no pricing data (product 3).³⁰³ Consequently, it is not likely that imports from Stelco will be significant if the antidumping duty order is revoked.

²⁹⁶ Table OCTG-I-8, CR at OCTG-I-23, PR at OCTG-I-19.

²⁹⁷ As discussed above, IPSCO is a large Canadian producer of welded OCTG other than drill pipe. Because Commerce excluded IPSCO from the antidumping duty order in 1996, however, it is not a subject producer in this review. Table OCTG-I-1 n.1, CR at OCTG-I-3, PR at OCTG-I-3. Sonco, another subject producer at the time of the original investigation, was acquired by U.S. producer LTV-Copperweld Inc., which ***. Stelco Prehearing Brief at 9.

²⁹⁸ See Foreign Producer Questionnaires of *** at Question II-18; Joint Press Release of Maverick Tube Corporation and Prudential Steel Ltd. (June 11, 2000), Attachment 2 to Stelco Submissions of June 14, 2000.

²⁹⁹ See Joint Press Release of Maverick Tube Corporation and Prudential Steel Ltd. (June 11, 2000), Attachment 2 to Stelco Submission of June 14, 2000 (noting "only limited geographical overlap between the two companies' operations"); Lone Star Submission of June 14, 2000 at 3 ("it is clear that Maverick intends for Prudential to continue to concentrate its sales in the Canadian market . . .").

³⁰⁰ Hearing Tr. at 284.

³⁰¹ Atlas Prehearing Brief at 1 (stating that Atlas' sales of non-API OCTG can be used in an extremely narrow niche that represents *** percent of the U.S. market). Moreover, it appears that the domestic industry is only willing to serve this market niche with seconds which fail to meet API specifications, and has never been a reliable source of OCTG other than drill pipe deliberately produced to non-API specifications for customers desiring this product. Hearing Tr. at 284; Atlas Posthearing Brief at 3-4.

³⁰² Stelco Prehearing Brief at 11. Stelco reported an annual production capacity of *** short tons.

³⁰³ CR at OCTG-V-3-OCTG-V-4, PR at OCTG-V-2-OCTG-V-3.

Algoma, which accounted for *** of exports reported by Canadian producers who became subject to the antidumping duty order as a result of the original investigations, ceased producing OCTG other than drill pipe in 1999.³⁰⁴ As discussed above, Argentine producer Siderca has reached a tentative agreement to lease the shuttered Algoma production plant. The record indicates, however, that only a fraction of the previous work force will be rehired.³⁰⁵ This suggests that the volume of its production in the reasonably foreseeable period will likely be limited. Moreover, we find it likely that production at the Algoma plant will be directed primarily to the large and growing Canadian market for seamless pipe. In 1998, when the Algoma plant was still operating, Algoma sold all of its production (approximately *** short tons) in Canada.³⁰⁶ In addition, in 1998 Canada imported significant quantities of seamless OCTG other than drill pipe, including 50,000 tons from the United States and 32,000 tons produced by Siderca-owned plants in Argentina and Mexico.³⁰⁷ Canadian demand for OCTG is strong, with rig counts up substantially in 2000.³⁰⁸ Recent Canadian offshore oil and gas discoveries indicate the likelihood of even greater demand, especially for the seamless product.³⁰⁹ Thus, while we have considered the arguments of the domestic OCTG producers that the U.S. Gulf States market, with deeper wells, is a more suitable market for Canadian seamless OCTG than either western or eastern Canada, we find that there is significant Canadian demand for the seamless product.³¹⁰

Finally, the record indicates that the Canadian industry is not export-oriented. In 1997 and 1998, *** Canadian production was consumed within Canada. In interim 1999, when Canadian consumption was significantly reduced, approximately *** percent of Canadian production was consumed

³⁰⁴ CR at OCTG-IV-6 and n.3; PR at OCTG-IV-5 and n.3.

³⁰⁵ See “Tentative Pact Struck to Resurrect the Mill,” Sault Star (June 3, 2000) at A1-A2, Attachment to USX Submission of June 14, 2000 (Siderca to rehire 100 workers); “Algoma Steel Inks Deal to Lease Tube Mill,” Sault Star (Dec. 10, 1999), Attachment 4 to Siderca Submission of June 14, 2000 (mill previously employed 400–500 at full capacity).

³⁰⁶ Algoma Producer Questionnaire Response; Algoma Response to Commission Questions (Mar. 20, 2000) at 1.

³⁰⁷ Stelco Posthearing Brief at Exhibit 3.

³⁰⁸ Stelco Submission of May 16, 2000, at Exhibit 4 (articles concerning rising rig count and drilling activity in Canada; Canadian rig count up from 217 in March 1999 to 600 in March 2000).

³⁰⁹ Stelco Posthearing Brief at Exhibit 3; Stelco Submission of May 16, 2000, at Exhibit 4. Contrary to the arguments of the domestic OCTG producers, the record also indicates that there is demand for seamless OCTG in Western Canada for use in “sour gas” wells. Hearing Tr. at 296–298.

³¹⁰ We also note Siderca’s sworn testimony that exports to the United States are not part of its business plan for the Algoma facility. Hearing Tr. at 281. Moreover, the record indicates that freight costs from Ontario, the location of the Algoma facility, to western Canada are lower than freight costs to the U.S. Gulf Coast area, location of the principal U.S. market for this product. This reduces the incentive for Siderca to ship seamless OCTG other than drill pipe produced in the Algoma facility to the United States instead of selling it in western Canada. Hearing Tr. at 295–297; Stelco Posthearing Brief at 7–8.

domestically, with exports totaling only *** short tons.³¹¹ By contrast, Canada's imports of OCTG (including both OCTG other than drill pipe and drill pipe) were 174,222 short tons in full-year 1999.³¹²

Based on the foregoing, we conclude that, while there may be some increase in the volume of subject imports of OCTG other than drill pipe from Canada if the antidumping duty order is revoked, the likely volume would not be significant.

2. Likely Price Effects of Subject Imports

The Commission found in the original investigation that comparisons of relative prices for domestic OCTG and cumulated imports of OCTG from Canada and Taiwan showed a pattern of mixed underselling and overselling and that depression of domestic prices and profitability resulted in part from the presence of subject imports.³¹³

Current pricing information cannot be used to determine whether underselling exists since there was no overlap in the products for which domestic producers and importers of the Canadian product provided data. Prices for domestic OCTG other than drill pipe generally fell sharply from early 1998 to early 1999, as oil and gas exploration declined significantly in the face of depressed oil and gas prices.³¹⁴ However, with the turnaround in oil and gas prices, recent industry press reports indicate that OCTG prices are increasing substantially.³¹⁵ Recent indicators demonstrate that demand is growing for OCTG other than drill pipe in both the United States and Canada, and this demand is likely to lead to further strengthening of prices.³¹⁶

In light of our finding above that it is not likely that revocation of the order will lead to a significant volume of subject imports, the mixed record of underselling in the original investigation, and in the context of strengthening domestic and Canadian demand and prices, we find it unlikely that subject imports from Canada would result in significant adverse price effects in the U.S. market within a reasonably foreseeable time if the order is revoked.

3. Likely Impact of Subject Imports

In the original determination, the Commission found that the increasing volume and market penetration of the subject imports from Canada, combined with negative price effects for the domestic

³¹¹ Table OCTG-IV-3, CR at OCTG-IV-7, PR at OCTG-IV-5.

³¹² Stelco Posthearing Brief at Exhibit 3 (Statistics Canada data) (converted to short tons). Of those imports, 89,035 short tons were imported from the United States.

³¹³ USITC Pub. 1865 at 11.

³¹⁴ Figures N-9-N-10, CR and PR at Appendix N.

³¹⁵ CR at OCTG-II-5 and n. 9, PR at OCTG-II-3 and n. 9; Stelco Submission of May 16, 2000, at Exhibit 1 (articles reporting OCTG price increases by USX, Maverick, and other U.S. producers).

³¹⁶ CR at OCTG-II-4-OCTG-II-5, PR at OCTG-II-3; Figures K-1 and K-2, CR and PR at Appendix K; Stelco Prehearing Brief at 17, 22-26 and Exhibits 4-8A.

product, demonstrated that the domestic OCTG other than drill pipe industry was materially injured by reason of the LTFV imports.³¹⁷

The condition of the domestic industry has improved in several ways since the imposition of the antidumping duty order. The domestic industry's market share increased from 48.7 percent in 1985 to 79.4 percent in 1998 and 87.5 percent in interim 1999, as a result of a significant decrease in the volume of subject and nonsubject imports.³¹⁸ For most of the recent period examined, the domestic industry experienced positive operating results, in contrast to the significant operating losses that occurred in each year of the period considered in the original investigations. As apparent U.S. consumption fell in 1998 and again in interim 1999 (as compared with interim 1998), the financial condition of the industry worsened such that in interim 1999 the industry posted a substantial operating loss.³¹⁹ Record information indicates, however, that since interim 1999, as oil and gas prices have risen, demand has strengthened, and the financial performance of certain large producers has been positive.³²⁰ We therefore find that any lingering vulnerability is likely to be relatively short in duration.

We found above that significant volume changes or price effects are unlikely in the event of revocation of the order. In the absence of such volume or price effects, we conclude that it is not likely that revocation of the order will result in a significant adverse impact on the domestic industry. We therefore determine that revocation of the antidumping duty order on OCTG other than drill pipe from Canada is not likely to lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

³¹⁷ USITC Pub. 1865 at 3.

³¹⁸ Table OCTG-I-1, CR at OCTG-I-3, PR at OCTG-I-3.

³¹⁹ Table OCTG-I-1, CR at OCTG-I-3, PR at OCTG-I-3.

³²⁰ CR at OCTG-II-5 and n. 9, PR at OCTG-II-3 and n. 9; Stelco Submission of May 16, 2000, at Exhibit 1 (articles on rising U.S. OCTG prices in 2000) and Exhibit 2 (articles on improving financial condition of U.S. producers Lone Star and IPSCO); Stelco Submission of May 26, 2000, Attachments 2-4.

D. Taiwan³²¹

1. Likely Volume of Subject Imports

In the original investigations, the Commission did not collect separate data for U.S. imports of OCTG other than drill pipe and drill pipe from Taiwan.³²² Combined imports of OCTG other than drill pipe and drill pipe from Taiwan were *** tons in 1983, *** tons in 1984, and *** tons in 1985.³²³ Subject imports from Taiwan as a share of U.S. OCTG consumption were *** percent in 1983, *** percent in 1984, and *** percent in 1985.³²⁴

Subject imports from Taiwan as a share of U.S. consumption were less than 0.05 percent from 1997 through interim 1999.³²⁵ Furthermore, there is no seamless or API-certified ERW production of OCTG other than drill pipe in Taiwan. As discussed above, API-certified OCTG comprises almost all of the demand in the U.S. market for the product. Absent evidence that any Taiwan producer stands ready to obtain API 5 CT certification and resume substantial shipments of OCTG other than drill pipe, we find that a significant increase in volume of subject imports is unlikely if the order is revoked. Given that the volume of subject imports was extremely low at the time of the original investigation and is currently minimal, and that Taiwan lacks seamless and ERW production facilities certified to API 5 CT, we conclude that the likely volume of subject imports of OCTG other than drill pipe from Taiwan would not be significant if the antidumping duty order is revoked.

2. Likely Price Effects of Subject Imports

In the original investigation, there were only two price comparisons possible between Taiwan and domestic OCTG, given the very small volume of subject imports from Taiwan.³²⁶ For cumulated

³²¹ As discussed above, Commissioner Askey found that the subject imports of OCTG other than drill pipe from Taiwan are not likely to have a discernible adverse impact on the domestic industry if the antidumping duty order covering these imports were revoked. Accordingly, she has not cumulated those subject imports with the other subject imports for purposes of her sunset analysis. In addition, for the reasons she outlined previously, she finds that the subject imports from Taiwan are not likely to have significant adverse volume effects on the domestic industry after revocation of the order. Because subject import volumes have been and are likely to continue to be extremely low or nonexistent, they are not likely to have any significant price effects. Accordingly, she finds that revocation of the order on the subject imports from Taiwan would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. *See* note 268, *supra*.

³²² CR at OCTG-I-2; PR at OCTG-I-2 (stating that separate data were not collected in the original investigations thus making it impossible to present comparable data series for the two separate products for both the period examined in the original investigations and the period examined in the reviews).

³²³ Table OCTG-I-1, CR at OCTG-I-3, PR at OCTG-I-3.

³²⁴ Table OCTG-I-1, CR at OCTG-I-3, PR at OCTG-I-3.

³²⁵ Table OCTG-I-8, CR at OCTG-I-23, PR at OCTG-I-19.

³²⁶ Confidential Report, Inv. Nos. 731-TA-275-277 (Final) (May 20, 1986) at A-61. One comparison showed overselling and the other showed underselling.

imports from Canada and Taiwan, the Commission stated that price comparisons showed mixed overselling and underselling.³²⁷

As stated above, subject imports from Taiwan as a share of U.S. consumption were less than 0.05 percent in the period examined in these reviews.³²⁸ There is no evidence of current significant price underselling by the subject merchandise, or of other price depressing or suppressing effects due to the very limited amount of subject imports during the period examined in this review. In view of our findings that the likely volume of Taiwan imports upon revocation will not be significant, it is unlikely that such imports would result in significant adverse price effects in the U.S. market.

3. Likely Impact of Subject Imports

In the original determination, the Commission found that the increasing volume and market penetration of the subject imports, combined with negative price effects for the domestic product, demonstrated that the domestic OCTG other than drill pipe industry was materially injured by reason of the LTFV imports.³²⁹ As discussed above, we find that the condition of the domestic industry has improved in several ways since the imposition of the orders, and is rapidly recovering from the severe slump in 1999. Thus, any lingering vulnerability is likely to be relatively short in duration.

We found above that significant volume changes or price effects are unlikely in the event of revocation of the order. In the absence of such volume or price effects, we conclude that it is not likely that revocation of the order will result in a significant adverse impact on the domestic industry. We therefore determine that revocation of the antidumping duty order on OCTG other than drill pipe from Taiwan is not likely to lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

VII. DRILL PIPE³³⁰

A. Cumulation

In these reviews, the statutory requirement that both of the drill pipe reviews be initiated on the same day is satisfied. We find that revocation of the order with respect to drill pipe from Taiwan would be likely to have no discernible adverse impact on the domestic industry, and therefore, do not cumulate these imports with subject imports from Canada.³³¹

³²⁷ USITC Pub. 1865 at 13. We note that separate pricing data for OCTG other than drill pipe and drill pipe were not collected in the original investigations, making it impossible to present comparable data series for the two separate products for both the period examined in the original investigations and the period examined in these reviews.

³²⁸ Table OCTG-I-8, CR at OCTG-I-23, PR at OCTG-I-19.

³²⁹ USITC Pub. 1865 at 3.

³³⁰ Commissioner Bragg does not join section VII of these Views. *See Separate and Dissenting Views of Commissioner Lynn M. Bragg.*

³³¹ Commissioner Askey also determines that subject imports of drill pipe from Canada would be likely to have no discernible adverse impact on the domestic industry. The only foreign producer questionnaire that the Commission received from a Canadian company capable of producing drill pipe indicated that ***. *See Algoma*
(continued...)

In the original investigation, the Commission did not collect separate data for U.S. imports of OCTG other than drill pipe and drill pipe from Taiwan.³³² Subject imports of all OCTG from Taiwan peaked at 6,000 short tons, *** percent of the U.S. market, during the original investigation.³³³ Current imports of drill pipe from Taiwan are extremely small. Subject imports of drill pipe from Taiwan as a share of U.S. consumption were *** percent in 1997, accounted for less than *** percent in 1998, and were *** percent in interim 1999.³³⁴ However, even these volumes may be overstated. As discussed above, drill pipe can only be made with seamless pipe. The record in these reviews indicates that there is no seamless pipe production and no seamless pipe production facility in Taiwan, nor is there any evidence in the record of current or planned construction of a seamless pipe production facility in Taiwan.³³⁵ Given the minuscule share of U.S. consumption currently accounted for by subject drill pipe from Taiwan, and the lack of evidence of current or planned construction of seamless pipe production facilities in Taiwan, we find that such subject imports are likely to have no discernible adverse impact on the domestic industry. Accordingly, we do not cumulate subject imports from Taiwan with subject imports from Canada.³³⁶

B. Conditions of Competition

The conditions of competition concerning the drill pipe industry are generally similar to those which are applicable to the OCTG other than drill pipe industry, discussed above.

Two conditions of competition are distinctive to the drill pipe industry. First, OCTG other than drill pipe may be either welded or seamless, but drill pipe that meets API specifications is always

³³¹ (...continued)

Foreign Producer Questionnaire at 2. Customs data show Canadian drill pipe imports as having been between 96 and 1,786 short tons during that same period. Table OCTG-I-2, CR at OCTG-I-5, PR at OCTG-I-5. Although the Customs data ***, it appears likely that the Customs data may represent classification errors given the small volumes involved, the small number of Canadian drill pipe producers (i.e., one), and the response from that one producer. Accordingly, it appears that there have been little or no imports of Canadian drill pipe during the past three years. Moreover, as discussed in this section, it is unlikely that either of the two Canadian companies that might be capable of producing drill pipe would export sufficient quantities to the United States so as to have a discernible adverse impact on the domestic industry.

³³² CR at OCTG-I-2; PR at OCTG-I-2 (stating that separate data were not collected in the original investigations thus making it impossible to present comparable data series for the two separate products for both the period examined in the original investigations and the period examined in the reviews).

³³³ Table OCTG-I-2, CR at OCTG-I-5, PR at OCTG-I-5. The original staff report notes that there were only two U.S. importers of OCTG from Taiwan, and that only two quarterly price comparisons were possible. Confidential Report, Inv. Nos. 731-TA-275-277 (Final) (May 20, 1986) at A-19 and A-61.

³³⁴ Table OCTG-I-9, CR at OCTG-I-24, PR at OCTG-I-20.

³³⁵ Lone Star Posthearing Brief at Exhibit 6 (Pipe and Tube Mills of the World (1997) at 581-587) (identifying no seamless pipe mills in Taiwan). Moreover, no mill in Taiwan is licensed to manufacture or to process tubular products in accordance with API specification 5D, the specification for drill pipe. See Stelco Posthearing Brief at Exhibit 8, API Handbook (Vol. 8, No. 1), "Manufacturers Authorized to Use the API Monogram on API Specification 5D Products."

³³⁶ 19 U.S.C. § 1675a(a)(7).

produced from seamless tubing, due to the high levels of stress that drill pipe must withstand.³³⁷ Second, the U.S. drill pipe industry is much more concentrated than is the U.S. OCTG other than drill pipe industry, with only three manufacturers and one processor reporting production of the domestic like product.³³⁸

C. Canada³³⁹

1. Likely Volume of Subject Imports

In the original investigations, the volume of subject drill pipe from Canada was combined with OCTG other than drill pipe, with OCTG other than drill pipe accounting for the majority of imports. Accordingly, the volume of subject imports from the original investigation is of limited probative value in these reviews. Subject imports of drill pipe from Canada as a share of U.S. apparent consumption were *** percent in 1997, *** percent in 1998, and *** percent in interim 1999.³⁴⁰

There are only two Canadian companies that may be able to produce subject drill pipe in the reasonably foreseeable future: Siderca (operating the former Algoma facility) and Grant Prideco. Because the Algoma plant is a seamless pipe facility, it is theoretically possible that the plant could produce drill pipe when it is reopened by Siderca. When being operated by Algoma, however, the facility ***.³⁴¹ Moreover, there is no evidence that Siderca intends to use the leased facility to produce subject drill pipe within a reasonably foreseeable time.³⁴²

Grant Prideco, a processor rather than a manufacturer of drill pipe, does maintain a drill pipe processing facility in Canada. The record evidence does not demonstrate that it currently exports subject

³³⁷ CR at OCTG-I-12, PR at OCTG-I-11.

³³⁸ Table OCTG-I-5, CR at OCTG-I-18, PR at OCTG-I-15.

³³⁹ As noted above, Commissioner Askey also found that the subject imports of drill pipe from Canada are not likely to have a discernible adverse impact on the domestic industry if the antidumping duty order covering these imports were revoked. Accordingly, she has not cumulated those subject imports with the other subject imports for purposes of her sunset analysis. In addition, for the reasons she outlined previously, she finds that the subject imports from Canada are not likely to have significant adverse volume effects on the domestic industry after revocation of the order. Because Canadian subject import volumes have been and are likely to continue to be extremely low or nonexistent, they are not likely to have any significant price effects. Accordingly, she finds that revocation of the order on the subject imports from Canada would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. *See* note 331, *supra*.

³⁴⁰ Table OCTG-I-2, CR at OCTG-I-5, PR at OCTG-I-5.

³⁴¹ Algoma Foreign Producer Questionnaire at 2.

³⁴² *See* Siderca's Information Update (May 30, 2000). We note Siderca's statement that production of drill pipe is not part of its business plan for the Algoma facility. Siderca Posthearing Submission (Mar. 20, 2000), Responses to Questions at 1.

product into the United States, and there is no evidence that it intends to do so.³⁴³ Moreover, as the majority of Grant Prideco's facilities are located in the United States, it is unlikely that it would export drill pipe from its sole Canadian plant in volumes or at prices that would undermine its more extensive operations in the United States.

In addition, the strong demand in the Canadian home market indicates that it is not likely that there would be a significant increase in subject exports to the United States in the reasonably foreseeable future if the order were revoked.³⁴⁴

Based on the foregoing, we conclude that the likely volume of subject imports of drill pipe from Canada would not be significant if the antidumping duty order is revoked.

2. Likely Price Effects of Subject Imports

In the original investigation, the Commission did not address separately the price effects of imports of subject drill pipe as distinct from OCTG other than drill pipe.³⁴⁵ The Commission found in the original investigations that comparisons of relative prices for domestic and imported drill pipe and OCTG other than drill pipe from the subject countries showed mixed underselling and overselling.³⁴⁶

As described above, we find that it is not likely that there will be a significantly increased volume of subject imports. There is no evidence in the record of current underselling of the domestic like product by the subject Canadian drill pipe.³⁴⁷ Recent indicators demonstrate that U.S. drill pipe market conditions are improving rapidly and strong demand is likely to lead to the strengthening of U.S. prices.³⁴⁸

In light of the foregoing, we find that revocation of the antidumping duty order would not be likely to lead to significant underselling, or to significant price depression or suppression, within a reasonably foreseeable time.

3. Likely Impact of Subject Imports

In the original determination, the Commission found that the increasing volume and market penetration of the subject imports, combined with negative price effects for the domestic product, demonstrated that the domestic drill pipe industry was materially injured by reason of the subject

³⁴³ Stelco Posthearing Brief, Responses to Questions from Commissioners and staff at 5–6. Grant Prideco (U.S.) imported both OCTG other than drill pipe and drill pipe from nonsubject countries during the period of review, but there is no indication in the record that the Canadian operation exported subject merchandise into the United States.

³⁴⁴ Hearing Tr. at 144; Table OCTG-IV-3, CR at OCTG-IV-7, PR at OCTG-IV-5; Algoma Posthearing Submission (Mar. 20, 2000); Stelco Submission of May 16, 2000 at Exhibit 4.

³⁴⁵ USITC Pub. 1865 at 13.

³⁴⁶ USITC Pub. 1865 at 13.

³⁴⁷ CR at OCTG-V-4, PR at OCTG-V-3

³⁴⁸ CR at OCTG-II-4-OCTG-II-5, PR at OCTG-II-3; Figures K-1 and K-2, CR and PR at Appendix K; Stelco Prehearing Brief at 17, 22–26 and Exhibits 4–8A.

imports. In the absence of separate data for drill pipe and OCTG other than drill pipe, the Commission conducted a product line analysis and considered data for both products combined.³⁴⁹

The condition of the domestic industry has improved somewhat since the imposition of the antidumping duty order. The domestic industry's market share increased from 48.7 percent in 1985 to *** percent in 1998, as a result of a significant decrease in the volume of subject and nonsubject imports.³⁵⁰ As in the period examined in the original investigation, however, the domestic industry experienced negative operating results. As apparent U.S. consumption fell in 1998 and again in interim 1999 (as compared with interim 1998), the financial condition of the industry worsened.³⁵¹ Record information indicates, however, that since interim 1999, as oil and gas prices have risen, demand has strengthened, and the financial performance of producers serving this market has been positive.³⁵² Thus, any lingering vulnerability is likely to be relatively short in duration.

We found above that significant volume changes or price effects are unlikely in the event of revocation of the order. In the absence of such volume or price effects, we conclude that it is not likely that revocation of the order will result in a significant adverse impact on the domestic industry. We therefore determine that revocation of the antidumping duty order on drill pipe from Canada is not likely to lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

D. Taiwan

As discussed above, we find that imports of drill pipe from Taiwan are likely to have no discernible adverse impact on the domestic industry if the antidumping duty order is revoked and thus do not cumulate imports from Taiwan with those from Canada.

We find that the minimal current volume of the subject drill pipe from Taiwan is not likely to change to a significant degree as a result of revocation of the antidumping duty order. As discussed above, U.S. imports of drill pipe from Taiwan are extremely limited. Subject imports of drill pipe from Taiwan as a share of U.S. consumption were *** percent in 1997, accounted for less than *** percent in 1998, and were *** percent in interim 1999.³⁵³ Moreover, as discussed above, there is no seamless pipe production and no seamless pipe production facility in Taiwan, nor is there any evidence in the record of current or planned construction of a seamless pipe production facility in Taiwan. As drill pipe is a form of seamless pipe, it is unlikely that significant additional exports to the United States would result if the order were revoked. Given the minuscule share of U.S. consumption currently accounted for by subject drill pipe from Taiwan, and the lack of evidence of current seamless pipe production facilities in Taiwan, we further find that such subject imports are likely to have minimal price effects or other impact on the domestic industry.

³⁴⁹ USITC Pub. 1865 at 3.

³⁵⁰ Table OCTG-I-2, CR at OCTG-I-5, PR at OCTG-I-5. As previously noted, the data in the original investigation included all OCTG.

³⁵¹ Table OCTG-I-2, CR at OCTG-I-5, PR at OCTG-I-5.

³⁵² CR at OCTG-II-5 and n. 9, PR at OCTG-II-3 and n. 9; Stelco Submission of May 16, 2000, at Exhibit 1 (articles on rising U.S. OCTG prices in 2000) and Exhibit 2 (articles on improving financial condition of U.S. producers Lone Star and IPSCO); Stelco Submission of May 26, 2000, Attachments 2-4.

³⁵³ Table OCTG-I-9, CR at OCTG-I-24, PR at OCTG-I-20.

Thus, we determine that revocation of the antidumping duty order on drill pipe from Taiwan would not be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

CONCLUSION

For the foregoing reasons, we conclude that revocation of the antidumping duty orders covering CWP from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey, the countervailing duty order covering CWP from Turkey, and the antidumping duty orders covering LWR from Argentina and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.³⁵⁴ We further conclude that revocation of the antidumping duty orders covering CWP from Venezuela, LWR from Singapore, and OCTG other than drill pipe and drill pipe from Canada and Taiwan would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.³⁵⁵

³⁵⁴ Vice Chairman Okun and Commissioners Hillman and Askey dissenting with respect to CWP from Mexico. Commissioner Askey dissenting with respect to CWP from India and Turkey and with respect to LWR from Argentina and Taiwan.

³⁵⁵ Commissioner Bragg dissenting with respect to CWP from Venezuela, LWR from Singapore, OCTG other than drill pipe from Canada and Taiwan, and drill pipe from Canada.

**SEPARATE VIEWS OF COMMISSIONER JENNIFER A. HILLMAN
WITH RESPECT TO CIRCULAR WELDED PIPE AND TUBE FROM
BRAZIL, INDIA, KOREA, TAIWAN, THAILAND, AND TURKEY**

I. Introduction

I exercise my discretion to cumulate subject circular welded pipe and tube (CWP) from Brazil, India, Taiwan, Thailand, and Turkey. I join the Commission's analysis of conditions of competition relevant to the cumulation question, set out in section IV.A.3 of the Commission's Views, insofar as it pertains to these countries.

However, I find that subject imports from Korea will compete in the U.S. market under conditions of competition that are significantly different than those applicable to imports from these other subject countries. Accordingly, I do not exercise my discretion to cumulate imports from Korea with other subject imports.

As explained below, like the Commission majority, I render affirmative determinations with respect to each of these subject countries. In view of my decision not to cumulate Korea with the other countries, I based my affirmative determinations on separate analyses of subject imports from Korea alone and cumulated subject imports from Brazil, India, Taiwan, Thailand, and Turkey.

II. Cumulation

I find two main differences in conditions of competition concerning Korea. The first is that, of all subject countries, Korea is likely to be the most adversely affected by the recently imposed safeguard relief on imports of line pipe. As discussed below, the safeguard relief will likely increase the incentive of Korean producers to make and sell more CWP, which can be made on the same production lines as line pipe.

On February 18, 2000, the President issued a proclamation that established a tariff with limited quantitative exemptions on imports of line pipe applicable to all countries except Canada and Mexico. The tariff applies additional duties of 19 percent in the first year, 15 percent in the second year, and 11 percent in the third year, on imports of line pipe from a particular country that exceed 9,000 tons in a given year.

Korea was by far the largest shipper of line pipe to the United States prior to imposition of the safeguard relief. Imports of line pipe from Korea in 1998 were approximately 158,000 tons.¹ Under the safeguard action, only 9,000 tons of this quantity could be entered duty-free in a given year, whereas the remaining 149,000 tons would be subject to the additional duties. This quantity is equal to 85 percent of the approximately 175,000 tons of 1998 imports of CWP from Korea. Although it is difficult to predict with certainty the effect of the safeguard duties on imports, I find it likely that a significant amount of the "over-quota" quantity of 149,000 tons of line pipe will not be sold in the United States in the face of the additional duties. In contrast to Korea, none of the other subject countries that is covered by the safeguard action shipped significant quantities of line pipe above the quantitative exemption (9,000 tons).

This restriction on Korea's line pipe exports to the United States affects conditions of competition in the CWP market because many producers, including all but one of the responding Korean

¹ Circular Welded Carbon Quality Line Pipe, Inv. No. TA-201-70, USITC Pub. 3261 (Dec. 1999) at II-15, Table 3.

producers, produce line pipe and CWP (and other products) on the same production lines.² This means that the producers choose how much of the available time on their production lines to dedicate to making each product. The restriction on Korea's line pipe exports will likely increase significantly the incentive of Korean producers to dedicate more of their productive capacity to the production of CWP rather than line pipe. Greater production of CWP, in turn, will increase the likely volume of exports of CWP to the United States in the event of revocation of the antidumping order.³

The second difference in competitive conditions is the disparity in the size of the market presence of subject imports from Korea as compared to the other subject countries, both in the original investigations and in the current review period. Korea's market share has been more than three times greater than that of any other subject country in each year of the current review period. Its U.S. market share during the original investigations was between 14 and 17 percent. By contrast, no other subject country exceeded 3.2 percent in U.S. market share in any of the original investigations. These disparities suggest that the prior, current, and in my opinion, future competitive challenge posed by Korea to the domestic industry is of a materially different order of magnitude than that presented by any of the other subject countries. While this factor, standing alone, would likely not be a sufficient basis for me to decline to exercise my discretion to cumulate imports from Korea with the other subject imports, I find that this factor reinforces and is consistent with the effect on likely CWP imports from Korea of the safeguard remedy on line pipe.

Based on the above, I choose not to exercise my discretion to cumulate CWP imports from Korea with CWP imports from Brazil, India, Taiwan, Thailand, and Turkey.

III. Likelihood of material injury

A. Brazil, India, Taiwan, Thailand, and Turkey

For the reasons stated below, I determine that revocation of the orders on CWP from Brazil, India, Taiwan, Thailand, and Turkey would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

² CR at CIRC-II-6, PR at CIRC-II-4.

³ I do not agree with the argument of the Korean respondents that the only effect of the line pipe safeguard action is a "statistical change" in which formerly dual-stenciled line pipe will now be classified for Customs purposes as standard pipe. See Korea Respondents Posthearing Brief at 14. In the safeguard investigation, the Commission stated that it was not persuaded that most exports of Korean line pipe to the West Coast were in fact used for standard pipe applications. See Line Pipe, USITC Pub. 3261 at I-26. In any event, any dual-stenciling option available to Korean producers was effectively ended by the safeguard relief for all but 9,000 tons per year. Thus Korean exports used for CWP pipe purposes must now generally enter under the antidumping order, making the discipline of that order particularly important.

1. Likely Volume of Subject Imports

The Commission's volume analysis in the original investigations focused on the subject imports' ability to increase their U.S. market presence rapidly in terms of both volume and market share.⁴ The orders have clearly had a restraining effect on subject import volumes: the total volume of imports from Brazil, India, Taiwan, Thailand, and Turkey was 198,460 short tons in 1985, 108,537 short tons in 1991, and 88,634 short tons in 1998.⁵ Meanwhile, the domestic industry's U.S. market share has increased from 41.1 percent in 1985 to 63.1 percent in 1991 and 73.0 percent in 1998.⁶

In these reviews, several factors have prevented the Commission from assembling a single consistent and comprehensive set of capacity data for subject producers of CWP. These factors include: (1) the lack of participation by some subject CWP producers, including the entire industries of Brazil, Taiwan, and Thailand; (2) the need for producers to allocate capacity among multiple welded tubular products produced on the same mill and the lack of any single generally accepted methodology for doing so in the face of changing product mixes over time; and (3) differences between theoretical and practical capacity depending on the lengths and number of shifts, scheduled and unscheduled down time, and other factors. Nevertheless, although the Commission thus cannot simply aggregate capacity figures for all subject producers, the available capacity data lead me to conclude that subject producers have the capability to increase substantially their shipments to the United States over current levels if the orders are revoked.

With respect to participating subject producers in India and Turkey, reported cumulated capacity to produce CWP in 1998 was *** short tons, of which *** short tons was excess capacity. In interim 1999, the same producers reported total CWP capacity of *** short tons, of which *** short tons was excess capacity.⁷ Given the ability of many producers to shift capacity between multiple pipe products on the same mill depending on market conditions, I also take note of the fact that, in addition to capacity allocated to the production of CWP, responding producers reported an additional *** short tons of production using capacity allocated to nonsubject welded tubular products 16 inches and under in diameter in 1998, and *** short tons of such production in interim 1999.⁸

In addition, Tata, the participating producer from India, indicated that total annual capacity to produce CWP in India is approximately *** tons (an amount equal to *** U.S. CWP market in 1998), and that total annual CWP production in India is *** tons.⁹ The Borusan Group, participating producers

⁴ USITC Pub. 1519 at 14; Confidential Report, Inv. Nos. 701-TA-253 and 731-TA-252 (Final) (Feb. 5, 1986) at I-19 and I-22; USITC Pub. 1839 at 12-13; USITC Pub. 2564 at 34-35.

⁵ Table D-1, CR and PR at Appendix D. I note that imports from the countries subject to these reviews were not all "subject" imports in each of the prior periods of investigation. Accordingly, I have relied on official statistics rather than the data in Table CIRC-I-1 for this comparison.

⁶ Table CIRC-I-1, CR at CIRC-I-5, PR at CIRC-I-5.

⁷ Tables CIRC-IV-3 and CIRC-IV-6, CR at CIRC-IV-9 and CIRC-IV-15, PR at CIRC-IV-6 and CIRC-IV-7.

⁸ Tables J-1 and J-4, CR and PR at Appendix J.

⁹ CR at CIRC-II-5, PR at CIRC-II-3.

from Turkey, stated that nonparticipating producers in Turkey accounted for additional capacity of at least *** short tons in 1998.¹⁰

With respect to CWP producers in Brazil, Taiwan, and Thailand, none of which participated in these reviews, public data indicates that the aggregate theoretical capacity to produce products within the size range of CWP is approximately 2,920,000 short tons.¹¹ Although I recognize that these data are not directly comparable to those for participating producers, they nevertheless demonstrate the existence of substantial pipe and tube production capacity in these countries. Moreover, record information indicates that overcapacity is a significant problem for Taiwan's pipe and tube industry,¹² and that Thailand is a large exporter of welded pipe products.¹³

Overall, I conclude that the likely volume of subject imports would be significant both in absolute terms and relative to consumption in the United States if the orders are revoked. I base this conclusion on a number of factors, including: the demonstrated ability of producers in Brazil, India, Taiwan, Thailand, and Turkey to increase their U.S. market penetration rapidly; the existence of very large capacity allocated to the production of CWP, including significant excess capacity, in the cumulated countries; the existence of additional subject capacity allocated to production of nonsubject welded tubular products which could be reallocated to CWP production; the demonstrated export-orientation of a number of the industries; the restraining effect that these orders have had on subject import volumes; and the attractiveness of the large and growing U.S. CWP market as an outlet for excess production.

2. Likely Price Effects of Subject Imports

In the original investigations, the Commission found that subject imports from Brazil, India, Taiwan, Thailand and Turkey generally undersold the domestic like product and that, because of the price-sensitive nature of the U.S. CWP market, underselling by subject imports resulted in both significant price depression and lost market share for the domestic industry.¹⁴

The domestic market for CWP remains as price sensitive today as the Commission found it to be in the original investigations. As discussed above, CWP is a commodity product produced to standard specifications.¹⁵ Almost all the responding domestic and foreign producers indicated that subject and

¹⁰ CR at CIRC-IV-14, PR at CIRC-IV-7; Table CIRC-IV-6, CR at CIRC-IV-15, PR at CIRC-IV-7.

¹¹ Tables G-2, G-7, and G-8, CR and PR at Appendix G.

¹² CR at CIRC-IV-7, PR at CIRC-IV-5.

¹³ Table H-1, CR and PR at Appendix H (showing the United States as Thailand's largest export market in 1996 and 1997).

¹⁴ USITC Pub. 1519 at 15-16; Inv. Nos. 701-TA-253 and 731-TA-252 (Final), Confidential Report (Feb. 5, 1986) at I-23-I-29; USITC Pub. 1839 at 13-14; USITC Pub. 2564 at 35-36.

¹⁵ CR at CIRC-I-23, PR at CIRC-I-19.

domestic CWP are interchangeable.¹⁶ Purchasers reported that both quality and price are important to their purchasing decisions, and uniformly responded that subject imports are lower priced than domestic CWP.¹⁷ In addition, the majority of responding domestic producers and virtually all importers reported that CWP is sold on a spot basis, rather than under contract.¹⁸ Finally, as discussed above, demand for CWP is price inelastic.¹⁹ Based on these market characteristics, I conclude that sustained underselling in this market is likely to have a significant suppressing or depressing effect on domestic prices.

During the period examined in these reviews, U.S. prices for both the subject imports and the domestic like product generally declined. Pricing data show that, even with the orders in place, subject imports undersold the domestic like product in the majority of comparisons during the period 1997-interim 1999, confirming purchasers' impression that subject imports tend to be lower priced than the domestic like product. Instances of underselling were particularly prevalent with respect to products 1, 2, and 6, which reflected the highest volumes of the subject cumulated imports.²⁰ Based on the pervasive underselling by subject imports during the original investigations and even during the period examined in these reviews, I conclude that there would likely be significant price underselling by imports of the subject merchandise if the orders were revoked. Moreover, in light of the price sensitive nature of the market and the inelasticity of demand for CWP, I conclude that subject imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the prices of the domestic like product if the orders were revoked.

3. Likely Impact of Subject Imports

In the original investigations of CWP from Taiwan (certain small diameter), India, Thailand, and Turkey, the Commission found that, due to falling prices and declining market share, the domestic industry was unable to operate profitably despite rising apparent consumption, capacity, capacity utilization, production, and shipments.²¹ In the original investigations of CWP from Brazil, Korea, Mexico, Taiwan (other than certain small diameter), and Venezuela, the Commission found that both production and employment-related trends and the industry's operating income margin declined irregularly over the period of investigation, although the industry continued to experience positive

¹⁶ Table CIRC-II-6, CR at CIRC-II-22, PR at CIRC-II-14; Table CIRC-II-7, CR at CIRC-II-23, PR at CIRC-II-15.

¹⁷ Table CIRC-II-3, CR at CIRC-II-16, PR at CIRC-II-10; Table CIRC-II-5, CR at CIRC-II-20, PR at CIRC-II-12.

¹⁸ CR at CIRC-V-4, PR at CIRC-V-4.

¹⁹ CR at CIRC-II-26-CIRC-II-27, PR at CIRC-II-17.

²⁰ Tables CIRC-V-1-CIRC-V-6, CR at CIRC-V-7-CIRC-V-12, PR at CIRC-V-5-CIRC-V-6.

²¹ USITC Pub. 1519 at 7-9; USITC Pub. 1810 at 7-9; USITC Pub. 1839 at 7-9, 14-15.

operating income margins.²² The Commission found that falling prices in the U.S. market contributed to the domestic industry's worsening financial performance without preventing its losses in market share.²³

The industry's condition has improved markedly since the original investigations. The domestic industry has increased its U.S. market share from 41.1 percent in 1985 and 63.1 percent in 1991 to 73.0 percent in 1998 and 73.8 percent in interim 1999. Production capacity has risen from 1,824,000 short tons in 1985 and 1,886,781 short tons in 1991 to 3,039,075 short tons in 1998. At the same time, capacity utilization has risen from 55.0 percent in 1985 and 63.7 percent in 1991 to 73.3 percent in 1998. The industry's operating income margin, although declining between 1997 and interim 1999, has remained consistently higher than during any of the previous periods of investigation.²⁴ Domestic producers uniformly testified that, since imposition of the orders, they have been able to expand and modernize capacity. I find that this improvement in the state of the industry is due both to the existence of the orders and to the recent surge in demand for construction materials. I further find that, given its present condition, the domestic CWP industry is not vulnerable to material injury if the orders are revoked.

Nevertheless, given the generally substitutable nature of the subject and domestic product and the inelasticity of demand for CWP, I find that the significant volume of low-priced subject imports, when combined with the expected adverse price effects of those imports, would have a significant adverse impact on the production, shipments, sales, and revenue levels of the domestic industry. This reduction in the industry's production, sales, and revenue levels would have a direct adverse impact on the industry's profitability and employment levels, as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, I conclude that, if the antidumping and countervailing duty orders are revoked, the subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

B. Korea

For the reasons stated below, I determine that revocation of the antidumping duty order on CWP from Korea, would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

1. Likely Volume of Subject Imports

In the original investigations involving Korea, the Commission found that cumulated imports from Brazil, Korea, Mexico, Taiwan, and Venezuela increased in volume and market share from 1989 to 1991. Imports from Korea alone increased from 295,643 short tons in 1989 to 324,704 short tons in 1991, and increased in market share from 14.7 percent in 1989 to 16.9 percent in 1991.²⁵

²² USITC Pub. 2564 at 18-20.

²³ USITC Pub. 2564 at 36.

²⁴ Table CIRC-I-1, CR at CIRC-I-5, PR at CIRC-I-5. The industry's operating income margin was 1.1 percent in 1985, 5.7 percent in 1991, 9.8 percent in 1997, 9.0 percent in 1998, and 8.5 percent in interim 1999, compared with 9.2 percent in interim 1998.

²⁵ Table CIRC-I-1, CR at CIRC-I-5-6, PR at CIRC-I-5-6.

The order has had a restraining effect on subject import volumes, as imports from Korea dropped from 324,704 short tons in 1991 to 174,929 short tons in 1998.²⁶ Meanwhile, the domestic industry's U.S. market share has increased from 63.1 percent in 1991 to 73.0 percent in 1998.²⁷

The available capacity data lead me to conclude that subject Korean producers have the capability to increase substantially their shipments to the United States over current levels if the orders are revoked. Nine Korean producers reported an aggregate capacity to produce CWP in 1998 of *** short tons, of which *** short tons was excess capacity. In interim 1999, the same producers reported total capacity of *** short tons, of which *** short tons -- the equivalent of *** percent of U.S. apparent consumption -- was excess capacity.²⁸

In addition, the Korean producers reported an aggregate capacity to produce subject and nonsubject welded tubular products 16 inches and under in diameter of 1,948,700 short tons, and an excess capacity of 584,714 short tons, in 1998. In interim 1999, Korean producers reported total 16-inch-and-under welded capacity of 1,396,747, short tons, and excess capacity of 382,535 short tons. The excess capacity in interim 1999 of 382,535 short tons is equivalent to 17.5 percent of U.S. apparent consumption of CWP during that period.²⁹ I find these figures on capacity and excess capacity with respect to all 16-inch-and-under welded tubular products to be particularly significant in the case of Korea because, as described above, I find that Korean producers will have a strong incentive to devote more of their available welded tubular capacity to the production of CWP in light of the recently imposed safeguard relief on line pipe.

I conclude that the likely volume of subject imports would be significant both in absolute terms and relative to consumption in the United States if the orders are revoked. I base this conclusion on a number of factors, including: the demonstrated ability of Korean producers to increase their U.S. market penetration rapidly; the existence of very large capacity allocated to the production of CWP, including significant excess capacity, in Korea; the existence of substantial additional subject capacity allocated to production of nonsubject welded tubular products which could be reallocated to CWP production; the restraining effect that these orders have had on subject import volumes; and the attractiveness of the large and growing U.S. CWP market as an outlet for excess production.³⁰

²⁶ Table CIRC-I-1, CR at CIRC-I-6, PR at CIRC-I-6. I note that, contrary to the Korean CWP producers' argument, the relatively low dumping margins applicable to some Korean producers have not resulted in a continuation of pre-order import levels. *Compare* Korean CWP Producers' Prehearing Brief at 13, *with* Table CIRC-I-1, CR at CIRC-I-5-6, PR at CIRC-I-5-6.

²⁷ Table CIRC-I-1, CR at CIRC-I-5, PR at CIRC-I-5.

²⁸ Table CIRC-I-1, CR at CIRC-I-5, PR at CIRC-I-5; Table CIRC-IV-4, CR at CIRC-IV-10-11, PR at CIRC-IV-6.

²⁹ Table J-2, CR and PR at Appendix J. I also take note of the fact that, in addition to capacity allocated to the production of CWP, responding Korean producers reported an additional 501,588 short tons of production using capacity allocated to nonsubject welded tubular products 16 inches and under in diameter in 1998, and 351,858 short tons of such production in interim 1999. Production of single- or dual-stenciled line pipe was 266,634 short tons in 1998 and 175,874 short tons in interim 1999. *Id.*

³⁰ In this regard, I take particular notice of the fact that, although recent information of record suggests that demand for CWP in Korea is recovering from very low levels in 1998 and early 1999, Korean home market demand
(continued...)

2. Likely Price Effects of Subject Imports

In the original investigations, the Commission found that subject imports from Korea generally undersold the domestic like product and that, because of the price-sensitive nature of the U.S. CWP market, underselling by subject imports from Korea (cumulated with subject imports from Brazil, India, Mexico, Taiwan, and Venezuela) resulted in both significant price depression and lost market share for the domestic industry.³¹

The domestic market for CWP remains as price sensitive today as the Commission found it to be in the original investigations. CWP is a commodity product produced to standard specifications.³² Almost all the responding domestic and foreign producers indicated that subject and domestic CWP are interchangeable.³³ Purchasers reported that both quality and price are important to their purchasing decisions, and uniformly responded that subject imports are lower priced than domestic CWP.³⁴ In addition, the majority of responding domestic producers and virtually all importers reported that CWP is sold on a spot basis, rather than under contract.³⁵ Finally, as discussed above, demand for CWP is price inelastic.³⁶ Based on these market characteristics, I conclude that sustained underselling in this market would have a significant suppressing or depressing effect on domestic prices.

³⁰ (...continued)

does not appear to have recovered to its 1997 (pre-crisis) level. *See* Table CIRC-IV-4, CR at CIRC-IV-11, PR at CIRC-IV-6 (showing home market shipments for the first 9 months of 1999 were *** the level for full-year 1997); Domestic CWP Producers' Posthearing Brief at 11; Hearing Tr. at 106-107; *compare* Confidential Report, Inv. Nos. 731-TA-532-537 (Final) (Oct. 8, 1992) at I-59, Table 15 (Korean home market shipments were *** short tons in 1991), *with* Table CIRC-IV-4, CR at CIRC-IV-11, PR at CIRC-IV-6 (Korean home market shipments were *** short tons in 1997 and *** short tons in 1998). I also am not persuaded by the Korean CWP producers' argument that China is likely to provide a large and profitable export market for Korean CWP in the reasonably foreseeable future and that Korean exports to the United States are therefore not likely to be significant. The only evidence Korean producers were able to provide in support of this assertion was generalized statements that China will decrease its overall tariff level (not its tariff on CWP specifically) when it joins the WTO and that China is engaged in substantial infrastructure development. Korean CWP Producers' Prehearing Brief at 16; Korean CWP Producers' Posthearing Brief at 14. By contrast, the record shows that China itself is already a significant exporter of CWP and that Korean CWP exports to China in 1998 were less than 19,000 short tons, compared with exports to the United States of *** short tons. Table H-1, CR and PR at Appendix H; Table CIRC-IV-4, CR at CIRC-IV-11, PR at CIRC-IV-6; Table CIRC-IV-1 at note 4, CR at CIRC-IV-2-3, PR at CIRC-IV-2-3.

³¹ USITC Pub. 2564 at 35-36.

³² CR at CIRC-I-23, PR at CIRC-I-19.

³³ Table CIRC-II-6, CR at CIRC-II-22, PR at CIRC-II-14; Table CIRC-II-7, CR at CIRC-II-23, PR at CIRC-II-15.

³⁴ Table CIRC-II-3, CR at CIRC-II-16, PR at CIRC-II-10; Table CIRC-II-5, CR at CIRC-II-20, PR at CIRC-II-12.

³⁵ CR at CIRC-V-4, PR at CIRC-V-3.

³⁶ CR at CIRC-II-26-CIRC-II-27, PR at CIRC-II-17.

During the period examined in these reviews, U.S. prices for both the subject imports from Korea and the domestic like product generally declined. Pricing data show that, even with the orders in place, subject imports undersold the domestic like product in the majority of comparisons during the period 1997-interim 1999, confirming purchasers' impression that subject imports tend to be lower priced than the domestic like product. Instances of underselling were particularly prevalent with respect to products 1, 2, and 6, which reflected the highest volumes of subject imports.³⁷ Based on the pervasive underselling by subject imports during the original investigations and even during the period examined in these reviews, I conclude that there would likely be significant price underselling by imports of the subject merchandise from Korea if the orders were revoked. Moreover, in light of the price sensitive nature of the market and the inelasticity of demand for CWP, I conclude that subject imports from Korea are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the prices of the domestic like product if the orders were revoked.

3. Likely Impact of Subject Imports

In the original investigations of CWP from Brazil, Korea, Mexico, Taiwan (other than certain small diameter), and Venezuela, the Commission found that both production and employment-related trends and the industry's operating income margin declined irregularly over the period of investigation, although the industry continued to experience positive operating income margins.³⁸ The Commission found that falling prices in the U.S. market contributed to the domestic industry's worsening financial performance without preventing its losses in market share.³⁹

As described above, the industry's condition has improved markedly since the original investigations. I find that this improvement in the state of the industry is due both to the existence of the orders and to the recent surge in demand for construction materials. I further find that, given its present condition, the domestic CWP industry is not vulnerable to material injury if the orders are revoked.

Nevertheless, given the generally substitutable nature of the subject and domestic product and the inelasticity of demand for CWP, I find that the significant volume of low-priced subject imports, when combined with the expected adverse price effects of those imports, would have a significant adverse impact on the production, shipments, sales, and revenue levels of the domestic industry. This reduction in the industry's production, sales, and revenue levels would have a direct adverse impact on the industry's profitability and employment levels, as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, I conclude that, if the antidumping order on CWP imports from Korea were revoked, the subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

IV. Conclusion

For the foregoing reasons, I determine that revocation of the orders on CWP from Brazil, India, Korea, Taiwan, Thailand, and Turkey is likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

³⁷ Tables CIRC-V-1-CIRC-V-6, CR at CIRC-V-7-CIRC-V-12, PR at CIRC-V-5-CIRC-V-6.

³⁸ USITC Pub. 2564 at 18-20.

³⁹ USITC Pub. 2564 at 36.

DISSENTING VIEWS OF VICE CHAIRMAN OKUN AND COMMISSIONERS HILLMAN AND ASKEY WITH RESPECT TO MEXICO

I. Introduction

Based on the record in these five-year reviews, we do not exercise our discretion to cumulate subject circular welded pipe and tube (CWP) from Mexico with CWP from other subject countries. Moreover, we determine that revocation of the antidumping order on CWP from Mexico would not be likely to lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

II. Cumulation

We concur with the Commission's findings that: (1) it is not likely that CWP imports from Mexico will have no discernible adverse impact on the domestic industry; and (2) there is a reasonable overlap of competition between CWP imports from Mexico, CWP from other subject countries, and the domestic like product.

However, we find that subject imports from Mexico will compete in the U.S. market under conditions of competition that are significantly different from those applicable to imports from other subject countries. Accordingly, we do not exercise our discretion to cumulate imports from Mexico with other subject imports.

The primary difference in conditions of competition is that Mexico was exempted from the recently imposed safeguard relief on imports of line pipe. On February 18, 2000, the President issued a proclamation that established a tariff with limited quantitative exemptions on imports of line pipe applicable to all countries except Canada and Mexico. The tariff applies additional duties of 19 percent in the first year, 15 percent in the second year, and 11 percent in the third year, on imports of line pipe from a particular country that exceed 9,000 short tons in a given year.

Mexico's exclusion from the safeguard action likely will affect the incentives of Mexican producers with respect to CWP and line pipe in two ways, both of which make it less likely that revocation of the antidumping duty order on CWP will result in injury to the domestic industry.

The first arises because many producers, including both of the primary CWP manufacturers in Mexico, Hylsa and Tuberia Nacional (TUNA), produce CWP and line pipe (as well as other products) on the same production lines. Accordingly, these producers can allocate the time available on their production lines to manufacture each product. Unlike other subject countries, Mexico will have a strong incentive to dedicate more of its productive capacity to the production of line pipe for sale into the U.S. market.

Mexico's incentive to produce and sell more line pipe arises because the safeguard action is likely to restrict to some extent the supply of line pipe imported into the United States from all other sources. Total 1998 U.S. imports of line pipe that exceeded the TRQ quantity (9,000 short tons) from particular countries other than Mexico was approximately 206,000 short tons.¹ This figure for "over-quota" imports is well over *** of Mexico's annual CWP pipe capacity, which is estimated at

¹ Circular Welded Carbon Quality Line Pipe, Inv. No. TA-201-70, USITC Pub. 3261 (Dec. 1999) at II-15, Table 3.

approximately *** short tons.² This figure is also well in excess of the *** short tons of excess capacity reported collectively by Hylsa and TUNA in 1998.³

Although it is difficult to predict with certainty the effect of the safeguard action on imports, we find it likely that a significant amount of the “over-quota” quantity of 206,000 short tons will not be sold in the United States in the face of the additional duties. If so, this would create a significant market opening that likely would be attractive to Mexican producers. Mexico was one of the largest exporters of line pipe to the U.S. market during the period reviewed in the Commission’s safeguard investigation. With more available Mexican capacity dedicated to line pipe, there would be less available to increase exports of CWP to the United States.⁴

Second, Mexico’s exclusion from the safeguard action means that, unlike other subject countries, Mexico will be able to continue to make use of the exclusion from the antidumping order for dual-stenciled pipe – *i.e.*, pipe that meets both line pipe and CWP specifications but enters as line pipe for customs purposes. Dual-stenciled pipe can be used for most types of CWP without being subject to the antidumping duty order.⁵ The largest Mexican producer, Hylsa, asserts that its cost of making dual-stenciled line pipe is only marginally above its cost of making CWP.⁶ The benefit of the exclusion for dual-stenciled pipe will be significantly reduced for other subject countries, whose line pipe imports -- including dual-stenciled line pipe -- are now subject to the safeguard action. Thus, the difference in the volume and price effects of imports with the order in place, versus without the order, is likely to be less significant for Mexico than for the other subject countries, because in either scenario Mexico can continue to export CWP to the United States as dual-stenciled pipe.

Based on the foregoing, we decline to exercise our discretion to cumulate subject CWP imports from Mexico with CWP imports from the other subject countries.

² CR at CIRC-IV-12, PR at CIRC-IV-6.

³ Table CIRC-IV-5, CR at CIRC-IV-13, PR at CIRC-IV-7. Hylsa indicates that it is currently operating at full capacity to serve the booming Mexican market. Hylsa Posthearing Brief at 6.

⁴ We recognize that, under section 312(c) of the NAFTA Implementation Act, the President may include a previously-excluded NAFTA country within a safeguard action if he determines that “a surge in imports from that country . . . is undermining the effectiveness of the action.” In our view, this test still leaves room for a material increase in the volume of imports of line pipe from Mexico.

⁵ The primary type of welded pipe that may not be entered as dual-stenciled line pipe is galvanized CWP, which appears to account for approximately one-quarter of the domestic CWP market. See Circular Welded Nonalloy Steel Pipe from Romania and South Africa, Invs. Nos. 731-TA-732-733 (Final), USITC Pub. 2973 at IV-4 (July 1996) (in 1995, galvanized pipe accounted for 25.8 percent of U.S. shipments). Although certain threaded and coupled welded pipe may also be ineligible to enter as line pipe, this limitation appears to be relatively insignificant because: (1) threading and coupling is a minor operation that may be performed in the United States after the product is exported from Mexico; and (2) at least some CWP U.S. customers are willing to purchase welded pipe with threading and coupling that is typically associated with line pipe. See Hylsa Posthearing Brief at 4-5.

⁶ Hylsa Posthearing Brief at 1.20-1.22.

III. Revocation of the Antidumping Duty Order on CWP from Mexico Is Not Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Conditions of Competition

We concur with the discussion of certain important conditions of competition presented in the views of the Commission majority. As discussed above, a significant additional condition of competition affecting imports of CWP from Mexico is Mexico's exclusion from the safeguard action on line pipe. We find that these conditions of competition are likely to prevail for the reasonably foreseeable future and thus provide an adequate basis by which to assess the likely effects of revocation within the reasonably foreseeable future.

B. Likely Volume, Price Effects, and Impact of Subject Imports

1. Likely Volume of Subject Imports

The Commission noted in its original determinations that the volume of cumulated subject imports of CWP from Brazil, Korea, Mexico, Taiwan, and Venezuela increased between 1989 and 1991, rising from 440,171 short tons in 1989 to 496,028 short tons in 1990, then declining to 483,319 short tons in 1991. It noted that the overall increase in cumulated subject import volume occurred in spite of a decline in apparent U.S. consumption between 1990 and 1991, and that cumulated subject imports increased their share of apparent U.S. consumption from 21.9 percent in 1989 to 23.2 percent in 1990 and to 25.1 percent in 1991, while the share of apparent U.S. consumption accounted for by U.S. producers' shipments of the domestic like product increased from 60.8 percent to 63.1 percent.⁷

The volume of imports of the subject merchandise from Mexico, as distinct from the cumulated volume of subject imports, was 65,294 short tons in 1989 and 68,828 short tons in 1990; it then dropped to 48,240 short tons in 1991, a decrease of 26.1 percent between 1989 and 1991. In terms of market share, the volume of imports of the subject merchandise from Mexico fell from 3.2 percent in 1989 and 1990 to 2.5 percent in 1991. Of all the imports subject to those investigations, only those from Mexico declined as a share of the U.S. market between 1989 and 1991.⁸

The issuance of the antidumping duty order on CWP from Mexico caused the volume of Mexican imports subject to the antidumping duty order to decline significantly, such that even during the period examined in these reviews, imports of the subject merchandise from Mexico were only 3,407 short tons in 1997; 16,282 short tons in 1998; and 19,875 short tons in January-September 1999. Imports of the subject merchandise from Mexico accounted 0.1 percent for the U.S. market in 1997, 0.5 percent in 1998, and 0.9 percent in January-September 1999.⁹

As noted above, the scope of the antidumping duty order on CWP from Mexico specifically excluded dual-stenciled pipe. As a result, Mexican manufacturers of welded pipe have taken advantage

⁷ USITC Pub. 2564 (Oct. 1992) at 34-35. The Commission considered whether imports from Mexico were negligible. In light of market shares ranging from 2.5 percent in 1991 to 3.2 percent in 1989 and record evidence of substitutability for the domestic like product, the Commission ultimately found subject imports from Mexico not to be negligible. *Id.* at 29.

⁸ Table CIRC-I-1, CR at CIRC-I-5-CIRC-I-8, PR at CIRC-I-5-CIRC-I-8.

⁹ Table CIRC-I-1, CR at CIRC-I-5-CIRC-I-8, PR at CIRC-I-5-CIRC-I-8.

of this “loophole” to enter multiple-stenciled pipe into the United States as line pipe.¹⁰ The data collected by the Commission indicate that a significant portion of current imports of CWP from Mexico is galvanized CWP, a product that is unlikely to enter the United States as line pipe.¹¹

The major manufacturers of CWP in Mexico reported no increase in capacity during the period examined in these reviews. Indeed, reported capacity actually declined from *** short tons in 1997 to *** short tons in 1998, and from *** short tons in January-September 1998 to *** short tons in January-September 1999. Capacity utilization declined somewhat, but was comparable to the levels reported by the U.S. CWP industry: *** percent in 1997, *** percent in 1998, and *** percent in January-September 1999.¹² Excess capacity in 1998 was equivalent to only approximately *** percent of U.S. apparent consumption.¹³ Accordingly, we find that there is limited unused production capacity in Mexico. Further, in light of Mexico’s favorable position in the U.S. line pipe market, we find it unlikely that the Mexican industry will increase significantly its capacity to produce CWP.

The inventory levels reported by the major CWP manufacturers in Mexico *** during the period examined in these reviews, rising from *** short tons in December 1997 to *** short tons in December 1998, then declining to *** short tons in September 1999. Mexican CWP inventories were equivalent to *** percent of total Mexican CWP shipments in 1997, *** percent in 1998, and *** percent in January-September 1999. Likewise, there was *** inventory of Mexican CWP held in the United States in December 1997. Inventory levels of Mexican CWP held in the United States were *** short tons in December 1998 and *** short tons in September 1999.¹⁴ Accordingly we do not find existing inventories of the subject merchandise, or likely increases in inventories, to be significant.

The record contains no indications that there are any barriers to the importation of the subject merchandise from Mexico into countries other than the United States.¹⁵ Further, as discussed above, we have also examined the potential for product-shifting, since the production facilities in Mexico that can be used to produce the subject merchandise are currently also being used to produce other welded pipe products, particularly line pipe. We do not find product-shifting in favor of greater production of CWP to be likely, in light of the general priority that pipe producers place on the production of higher-value pipe products (including line pipe) and the particular opportunities for Mexican producers to expand production and sales of line pipe to the United States for the duration of the safeguard remedy on line pipe.

¹⁰ We note that Hylsa is purportedly the largest producer of line pipe in Mexico. Line Pipe, USITC Pub. 3261 at II-36. During 1997, 1998, 1999, and in the first two months of 2000, all of Hylsa’s exports of line pipe have consisted of pipe that was certified to meet both ASTM specifications for standard pipe and API specifications for line pipe. Hylsa’s Posthearing Brief at 1.17

¹¹ For example, no importers reported pricing data for five common plain end CWP products from Mexico, while they did report noticeable volumes of a common galvanized CWP product from Mexico. Tables CIRC V-1-6, CR at CIRC-V-7-CIRC-V-12, PR at CIRC-V-5-CIRC-V-6.

¹² Table CIRC-IV-5, CR at CIRC-IV-13, PR at CIRC-IV-7. We also note that Hylsa,, the largest CWP manufacturer in Mexico, reported that it was operating at full capacity as recently as January and February 2000. Hylsa’s Posthearing Brief at 1.15.

¹³ Table CIRC-I-1, CR at CIRC-I-5-CIRC-I-8, PR at CIRC-I-5-CIRC-I-8; Table CIRC-IV-5, CR at CIRC-IV-13, PR at CIRC-IV-7.

¹⁴ Tables CIRC-IV-2 and CIRC-IV-5, CR at CIRC-IV-5 and CIRC-IV-13, PR at CIRC-IV-4 and CIRC-IV-7.

¹⁵ Hylsa Foreign Producer Questionnaire at 6; TUNA Foreign Producer Questionnaire at 6.

Based on the foregoing, we do not find it likely that Mexican manufactures and exporters, upon revocation of the order, would increase exports to the U.S. market significantly, or that the import volume would rise significantly if the antidumping duty order was removed.¹⁶ Consequently, based on the record in these reviews, we conclude that the likely volume of imports of the subject merchandise would not be significant if the antidumping duty order is revoked, either in absolute terms or relative to production or consumption in the United States.

2. Likely Price Effects of Subject Imports

During the original investigations, the Commission concluded that cumulated imports of the subject merchandise and the domestic like product conformed to relevant ASTM standards and were generally substitutable. It noted the declining average unit values of the domestic like product and the falling prices of the subject imports. It further noted the importance of price in purchasing decisions, and the extent to which the subject imports undersold the domestic like product (133 of 183 comparisons).¹⁷

As we have discussed in the conditions of competition, CWP is viewed as a commodity product that must meet common standards (typically ASTM A-53) as to dimensions, materials, and specifications.¹⁸ This characterization is supported by the high degree of consensus between producers and importers regarding the interchangeability of the domestic like product and the subject imports generally, as well as the relative lack of important differences other than price.¹⁹ In addition, U.S. purchasers ranked quality and price nearly even as a factor of importance in purchasing decisions.²⁰ Further, virtually all existing imports of standard pipe are sold to distributors, as are more than two-thirds of the domestic like product. Most standard pipe is sold on a spot basis, rather than pursuant to contracts.²¹

Over the period examined in these reviews, domestic prices for CWP declined for all of the items for which the Commission collected pricing data. This is not surprising, given the decline in prices of carbon steel sheet (the primary raw material input) over the period examined. Producers and importers agree that the price of standard pipe is largely dependent on the cost of input steel.²²

As noted previously, there were no Mexican prices reported for any of the non-galvanized pricing items. Prices of domestically produced galvanized CWP fence tubing were the least volatile of all the products tracked by the Commission in these reviews, declining between the first and second quarter of 1997 and fluctuating slightly in 1998, but otherwise remaining very stable at approximately *** per foot. Mexican galvanized CWP fence tubing was priced lower than U.S.-produced galvanized CWP fence tubing by *** percent during 1998 and 1999, but was comparable in price to *** galvanized

¹⁶ See SAA at 890.

¹⁷ USITC Pub. 2564 (Oct. 1992) at 35-36. Imports from Mexico undersold the domestic like product in 33 of 43 comparisons. *Id.* at I-64.

¹⁸ CR at CIRC-I-23, PR at CIRC-I-19.

¹⁹ Tables CIRC-II-6 and CIRC-II-7, CR at CIRC-II-22-CIRC-II-23, PR at CIRC-II-14-CIRC-II-15.

²⁰ Table CIRC-II-3, CR at CIRC-II-16, PR at CIRC-II-10.

²¹ CR at CIRC-II-2 (channel structure) and CIRC-V-4 (pricing practices), PR at CIRC-II-1-2 and CIRC-V-3.

²² CR at CIRC-V-3, PR at CIRC-V-3. Raw material costs appear at Table CIRC-III-6, CR at CIRC-III-8, PR at CIRC-III-6.

CWP fence tubing and markedly higher in price than galvanized CWP fence tubing from the other subject suppliers of this product.²³

We have considered the likely degree of underselling by CWP from Mexico and whether imports of CWP from Mexico are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the price of the domestic like product. Without an incentive to concentrate production in CWP product lines and expand U.S. market share significantly, we do not find that the record supports such a finding. Moreover, as discussed earlier, the likely volume of subject imports from Mexico would not be significant if the antidumping duty order were to be revoked. Accordingly, we do not find it likely that underselling by Mexican CWP would be significant.

Consequently, on the basis of the record in this review, we find that revocation of the antidumping duty order on imports of CWP from Mexico would not be likely to lead to significant underselling by the subject imports of the domestic like product, or to significant price depression and suppression, within a reasonably foreseeable time.

3. Likely Impact of Subject Imports

In the original investigations, the Commission found that the large and increasing volume and market share of cumulated subject imports, a strong pattern of underselling, the deterioration of the domestic industry's performance, and the lower level of domestic sales and lower prices due to dumped imports demonstrated the impact of the subject imports upon the domestic industry.²⁴ We note again that the volume and market share of subject imports from Mexico alone actually decreased between 1989 and 1991.

The industry's condition has improved markedly since the original investigations. The domestic industry has increased its U.S. market share from 41.1 percent in 1985 and 63.1 percent in 1991 to 73.0 percent in 1998 and 73.8 percent in interim 1999. Production capacity has risen from 1,824,000 short tons in 1985 and 1,886,781 short tons in 1991 to 3,039,075 short tons in 1998. At the same time, capacity utilization has risen from 55.0 percent in 1985 and 63.7 percent in 1991 to 73.3 percent in 1998. The industry's operating income margin, although declining between 1997 and interim 1999, has remained consistently higher than during any of the previous periods of investigation.²⁵ Domestic producers testified that, since imposition of the orders, they have been able to expand and modernize capacity.²⁶ We find that this improvement in the state of the industry is due both to the existence of the orders and to the recent surge in demand for construction materials. We further find that, given its present condition, the domestic CWP industry is not vulnerable to material injury if the order on CWP from Mexico were revoked.

As discussed above, we conclude that revocation of the antidumping duty order on CWP from Mexico would not likely lead to a significant increase in the volume of subject imports that would undersell significantly the domestic like product and significantly suppress or depress U.S. prices. We

²³ Table CIRC-V-6, CR at CIRC-V-12, PR at CIRC-V-6.

²⁴ USITC Publication 2564 (Oct. 1992) at 36-37.

²⁵ Table CIRC-I-1, CR at CIRC-I-5-CIRC-I-8, PR at CIRC-I-5-CIRC-I-8. The industry's operating income margin was 1.1 percent in 1985, 5.7 percent in 1991, 9.8 percent in 1997, 9.0 percent in 1998, and 8.5 percent in interim 1999, compared with 9.2 percent in interim 1998. *Id.*

²⁶ *See, e.g.*, Hearing Transcript at 28 (testimony of Mr. Feeney); Hearing Transcript at 31 (testimony of Mr. Bussiere).

also find that any volume and price effects of the subject imports from Mexico would not likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry.²⁷ Any minimal effect on the industry's production, shipments, sales, market share, and revenues would not adversely impact the industry's profitability and ability to raise capital and maintain necessary capital investments.

Accordingly, based on the record in this review, we conclude that, if the antidumping duty order were revoked, subject imports from Mexico would not be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

IV. Conclusion

For the foregoing reasons, we determine that revocation of the antidumping order covering CWP from Mexico is not likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

²⁷ 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping” in making its determination in a five-year review investigation. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year review investigations as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. Commerce found the likely margin of dumping for all producers in Mexico to be 32.62 percent. CR at CIRC-I-12, PR at CIRC-I-11.

SEPARATE AND DISSENTING VIEWS OF COMMISSIONER LYNN M. BRAGG

Because I render affirmative determinations with respect to the orders covering: (1) oil country tubular goods (“OCTG”) other than drill pipe from Canada and Taiwan; as well as (2) the order covering drill pipe from Canada, I provide my separate and dissenting views regarding these two product groups below.

I. OCTG OTHER THAN DRILL PIPE

Cumulation:

I have previously described the analytical framework that I employ to assess cumulation in the context of grouped sunset reviews.¹ The sequence of my analysis differs from that of my colleagues in that I first assess whether there is likely to be a reasonable overlap of competition in the event of revocation, before addressing whether revocation of any of the orders would be likely to have no discernible adverse impact on the domestic industry.

Likelihood of a Reasonable Overlap of Competition—

I note that the Commission cumulated subject imports from Canada and Taiwan in its original determinations, after finding a reasonable overlap of competition. Upon review of the record in these reviews, I am satisfied that there is again likely to be a reasonable overlap of competition among subject imports and between subject imports and the domestic like product if the orders under review are revoked.

In particular, with respect to fungibility, the record indicates that almost all subject merchandise and domestic like product are produced to common standards regarding materials, dimensions, and testing, as established by consensus organizations; indeed, virtually all responding foreign and domestic producers indicated that the subject and domestic drill pipe are interchangeable.² Although there were minimal imports of subject merchandise from Canada and Taiwan during the period of review, the relevant inquiry is whether there is likely to be a reasonable overlap of competition in the event of revocation, even if currently there are no or minimal imports from a country subject to review. I find that, if the orders under review are revoked, imports from Canada and Taiwan are likely to again enjoy a simultaneous presence in the same channels of distribution and the same geographic markets with respect to each other and the domestic like product.

¹ See Potassium Permanganate from China and Spain, *Separate and Dissenting Views of Chairman Lynn M. Bragg Regarding Cumulation in Sunset Reviews*, Inv. Nos. 731-TA-125-126 (Review), USITC Pub. 3245, at 27-30 (October 1999); see also Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden, *Separate Views of Chairman Lynn M. Bragg Regarding Cumulation*, Inv. Nos. 701-TA-269 & 270 (Review) and 731-TA-311-317 and 379-380 (Review), USITC Pub. 3290, at 27-32 (April 2000).

² Confidential Report (“CR”) at OCTG-I-12-OCTG-I-16, Public Report (“PR”) at OCTG-I-11-OCTG-I-13.

No Discernible Adverse Impact—

1. Canada

I note that subject imports from Canada have been minimal during the period of review, and that four major Canadian exporters examined by the Commission during the original investigations have ceased exporting subject merchandise to the U.S. market.

However, the record also demonstrates that an Argentine producer of OCTG (“Siderca”), recently agreed to reopen and operate the Canadian production facility formerly operated by Algoma.³ As a result, Siderca will be able to rationalize its global production with the benefit of this Canadian facility. Because Siderca currently is subject to antidumping duty orders on both OCTG other than drill pipe, and drill pipe, from Argentina, revocation of the order on Canada will allow Siderca to supply the U.S. market from Canada and thereby avoid confronting antidumping duties on imports from Argentina. The Algoma facility is capable of producing large volumes of both OCTG other than drill pipe, and drill pipe, and although the Algoma facility is not currently certified to American Petroleum Institute (“API”) standards, such certification could be obtained within 12 to 18 months at most; indeed, according to Siderca ***.⁴ Based on the foregoing, I find that revocation of the order on OCTG other than drill pipe from Canada is likely to result in a discernible adverse impact on the domestic industry within a reasonably foreseeable time.

2. Taiwan

Record information concerning the industry in Taiwan is somewhat sparse, as a result of the failure of any subject producer in Taiwan to participate in these reviews. The limited data indicate that there is a substantial amount of pipe and tube production capacity in Taiwan (which includes line pipe and other welded circular and noncircular pipe and tube products).⁵ Although there are no OCTG producers in Taiwan currently certified by API, the record from the original investigation demonstrates that at least one such producer can produce to API specification.⁶ Coupled with the fact that home-market consumption of OCTG in Taiwan appears relatively small compared with total available capacity, I find that revocation of the order on OCTG other than drill pipe from Taiwan is likely to result in a discernible adverse impact on the domestic industry within a reasonably foreseeable time.

Conclusion—

In light of my foregoing determinations, I have cumulatively analyzed the likely effects of revocation of the orders on OCTG other than drill pipe from Canada and Taiwan.

³ CR at OCTG-IV-6 n. 3, PR at OCTG-IV-5 n.3; *see also* Karl Sebkowski, “Union Deal with Buyer Helps Reopen Sault Steel-tube Mill,” *Toronto Star*, June 6, 2000; Steven Gallagher, “Tube Mill Deal a Boost for City—Mayor,” *Sault Star*, June 7, 2000, at A1.

⁴ Hearing Transcript (“Hearing Tr.”) at 285-87; Siderca Statement of Information at 3-5.

⁵ *See* Lone Star Posthearing Brief at Exhibit 6 (Pipe and Tube Mills of the World (1997), at 581-587).

⁶ *See* Stelco Posthearing Brief at Exhibit 10 (OCTG other than drill pipe) and Exhibit 8 (drill pipe).

Conditions of Competition:

In assessing the likelihood of continuation or recurrence of material injury if the orders under review are revoked, I have considered the following conditions of competition which are applicable to OCTG generally, including both OCTG other than drill pipe as well as drill pipe.⁷

OCTG other than drill pipe is normally produced to API specifications as either a seamless or welded product, and is used in the exploration and extraction of oil and gas reserves; as a result, demand for OCTG is derived from the level of oil and gas drilling activity, which in turn is impacted by prevailing price levels for oil and gas.

During the period of review, apparent U.S. consumption of OCTG other than drill pipe declined dramatically, coinciding with a collapse in oil prices and a sharp decline in the number of U.S. oil and gas rotary rigs from 1997 to 1998 and the first half of 1999. Beginning in the latter half of 1999, however, the prices of oil and gas rebounded and the rig count began increasing; these increases have continued into 2000 in both the United States and Canada.

Domestic capacity to produce OCTG other than drill pipe decreased from 1997 to 1998 and was lower in interim 1999 than in interim 1998. Capacity utilization among domestic producers also declined during this period, and the ratio of reported domestic inventories to both shipments and production increased.

Once quality assurances are attained for a product (in the form of requisite certifications such as API certification), competition occurs mainly on the basis of price and reliability of delivery.

As noted, the OCTG production facility in Canada which was closed by Algoma in 1999 will be reopened and operated by Siderca, a well-established Argentine producer of OCTG. Siderca is part of a corporate family of OCTG producers ("Group DST"), including Dalmine (located in Italy), and TAMSA (located in Mexico).⁸ The United States imposed antidumping duties on OCTG other than drill pipe from Argentina, Italy, Japan, Korea, and Mexico, following affirmative final determinations by the Commission in 1995.⁹ With regard to the industry in Taiwan, any OCTG other than drill pipe produced in Taiwan is likely destined for export, as there appears to be minimal home market consumption of this product.

Likelihood of Continuation or Recurrence of Material Injury:

As noted above, I have engaged in a cumulative analysis with regard to revocation of the orders on OCTG other than drill pipe from Canada and Taiwan.

Likely Volume—

First, I note that the production capacity of Algoma's facility in Canada appears to be at least *** short tons per annum, which is equivalent to *** percent of apparent U.S. consumption of OCTG

⁷ See CR at OCTG-I-11-OCTG-I-12 and OCTG-II-1-OCTG-II-10, PR at OCTG-I-10-OCTG-I-11 and OCTG-II-1-OCTG-II-8.

⁸ See, e.g., Hearing Tr. at 138-39.

⁹ See Oil Country Tubular Goods from Argentina, Austria, Italy, Japan, Korea, Mexico, and Spain, Inv. Nos. 701-TA-363-364 (Final) and 731-TA-711-717 (Final), USITC Pub. 2911 (August 1995).

other than drill pipe in 1998, and *** percent of U.S. production that year.¹⁰ Second, I note the incentive for the established and experienced OCTG producer Siderca to serve a rebounding U.S. market for OCTG other than drill pipe from the Algoma facility rather than from Argentina (due to the outstanding order on OCTG other than drill pipe from Argentina). Third, as noted previously, the Algoma facility will likely meet API standards by ***. Fourth, I note that the limited record information concerning producers in Taiwan indicates the availability of substantial welded pipe production capacity, although no Taiwan producer currently is certified by API to produce OCTG other than drill pipe. I note, however, that during the original investigation at least one producer in Taiwan produced and exported API specification OCTG other than drill pipe to the U.S. market. In light of the foregoing, I find that revocation of the orders on OCTG other than drill pipe from Canada and Taiwan would be likely to result in significant volumes of imports from these two countries within a reasonably foreseeable time.

Likely Price Effects—

Pricing data were collected for ten types of OCTG other than drill pipe, accounting for 4.9 percent of U.S. OCTG shipments and *** percent of Canadian imports.¹¹ No pricing data was collected with regard to subject imports from Taiwan, due to the fact that there were virtually no such imports during the period of review.

No direct pricing comparisons are possible on the record, a result of the fact that current import volumes from Canada are minimal and are comprised *** of non-API certified imports. Consequently, I do not consider a comparison of average unit value data for Canadian and domestic product to be probative of likely price effects in the event of revocation. I note that the Commission based its original affirmative determinations of material injury in part on the adverse effect of subject imports from Canada and Taiwan on domestic price levels.

With regard to Canada, I note that I have determined that revocation of the order will likely result in a significant influx of imports into the U.S. market. As for Taiwan, I infer that the industry producing OCTG other than drill pipe will revert to aggressive pricing practices with respect to its exports to the U.S. market, as evidenced in the Commission's original investigation. Based upon the foregoing, I find that if the orders are revoked, significant volumes of imports are likely to have significant negative price effects within a reasonably foreseeable time.

Likely Impact—

First, I note that the number of U.S. producers of OCTG other than drill pipe posting operating losses increased from *** in 1997 to *** in interim 1999;¹² in addition, the operating income of the domestic industry declined from roughly \$127 million in 1997 to negative \$86 million in interim 1999.¹³ I further note that capacity utilization among domestic producers declined from 89.3 percent in 1997 to

¹⁰ See CR at OCTG-IV-6 n. 3 & Table C-4, PR at OCTG-IV-5 n. 3 & Table C-4. Even if the Algoma facility is not considered, the record evidences substantial unused capacity in Canada which is available to direct significant volumes of subject merchandise to the U.S. market. See CR and PR Table OCTG-IV-3.

¹¹ CR at OCTG-V-3-OCTG-V-6, PR at OCTG-V-2-OCTG-V-3.

¹² CR and PR Table OCTG-III-9.

¹³ CR and PR Table C-4.

36.6 percent in interim 1999, during which time the average capacity of the domestic industry declined slightly.¹⁴ This dramatic deterioration in the fortunes of the domestic industry over the period of review demonstrates that the domestic industry producing OCTG other than drill pipe currently is in a vulnerable condition. In my view, it is therefore critical to the continuing health of the domestic industry that U.S. producers be able to take advantage of the more recent upturn in the prospects for this industry. Indeed, notwithstanding this most recent upturn, the industry is far from returning to the levels of performance evidenced prior to the collapse in apparent U.S. consumption.

In light of the foregoing, I find that with respect to revocation of the orders on OCTG other than drill pipe from Canada and Taiwan, the likely influx of significant import volumes, at prices that would likely cause significant negative price effects in the U.S. market, would have a significant adverse impact on the domestic industry's production, shipments, sales, market share, and revenues. These reductions in production, shipments, sales, market share, and revenues, would further result in a significant decline in the domestic industry's profitability and ability to raise capital and maintain necessary capital investments.

Conclusion:

I determine that revocation of the orders on OCTG other than drill pipe from Canada and Taiwan would be likely to result in continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

II. DRILL PIPE

Cumulation:

Likelihood of a Reasonable Overlap of Competition—

Because drill pipe is used to transmit torques from the drilling motor to the rotary drill, it is subject to stress caused by shear, vibration, and consequently fatigue; as a result, drill pipe must be manufactured by the seamless production process and is subject to specific heat treatment processes to optimize its strength and to meet API specifications.¹⁵ In contrast, OCTG other than drill pipe may be manufactured as either a seamless or a welded product. The record in these reviews indicates that there is neither any current nor any planned seamless pipe production capacity in Taiwan. As a result, there will continue to be no imports of drill pipe from Taiwan, regardless of whether the order on drill pipe from Taiwan is revoked. It follows then that there cannot be any overlap of competition among imports of drill pipe from Canada and Taiwan if the orders under review are revoked. Consequently, I do not engage in a cumulative analysis with respect to revocation of the orders on drill pipe.

Conditions of Competition:

The conditions of competition in the drill pipe industry mirror those of the industry producing OCTG other than drill pipe to a large extent, with apparent U.S. consumption collapsing by *** percent

¹⁴ CR and PR Table C-4.

¹⁵ CR at OCTG-I-12, PR at OCTG-I-11.

between interim 1998 and interim 1999, before beginning to recover in late 1999 and into 2000.¹⁶ As noted under the foregoing discussion of cumulation, however, in order to meet the physical demands of the application, drill pipe is necessarily a seamless pipe product and there is no seamless pipe production capacity in Taiwan, nor is there any record evidence of plans to construct such capacity in the future.¹⁷ With regard to Canada, I note that Algoma is the sole responding Canadian producer of seamless OCTG.¹⁸ Finally, I note that the United States imposed antidumping duties on drill pipe from Argentina, Japan, and Mexico, following affirmative final determinations by the Commission in 1995.¹⁹

Likelihood of Continuation or Recurrence of Material Injury:

1. Taiwan

By virtue of the fact that there is no current or planned production capacity for drill pipe in Taiwan, revocation of the order on drill pipe from Taiwan necessarily will not result in any volume or price effects, or any adverse impact on the domestic industry. Accordingly, I render a negative determination with regard to the order on drill pipe from Taiwan.

2. Canada

With regard to Canada, I note that in its original determination the Commission did not possess data specific to the drill pipe industry and therefore relied upon aggregate data for OCTG generally. Similarly, there is limited data in the record of these reviews specific to the Canadian drill pipe industry.

Likely Volume—

I again note that the production capacity of Algoma's facility in Canada appears to be at least *** short tons per annum, which is equivalent to more than *** the apparent U.S. consumption of drill pipe in 1998.²⁰ Second, I note the incentive for the established and experienced OCTG producer Siderca to serve a rebounding U.S. market for drill pipe from the Algoma facility rather than from Argentina (due to the outstanding order on drill pipe from Argentina). Third, as noted previously, the Algoma facility will likely meet API standards by ***.

¹⁶ CR and PR Table OCTG-I-9.

¹⁷ See Stelco Posthearing Brief at Exhibit 8, API Handbook (Vol. 8, No. 1), "Manufacturers Authorized to Use the API Monogram on API Specification 5D Products." I note that API specification 5D is the specification for drill pipe, and no mill in Taiwan is authorized to manufacture to the API 5D specification. Moreover, there are no seamless pipe mills identified as being located in Taiwan. See Lone Star Posthearing Brief at Exhibit 6 (Pipe and Tube Mills of the World (1997), at 581-587).

¹⁸ CR at OCTG-II-3, PR at OCTG-II-2.

¹⁹ See Oil Country Tubular Goods from Argentina, Austria, Italy, Japan, Korea, Mexico, and Spain, Inv. Nos. 701-TA-363-364 (Final) and 731-TA-711-717 (Final), USITC Pub. 2911 (August 1995).

²⁰ See CR at OCTG-IV-6 n. 3 & Table C-5, PR at OCTG- IV-5 n. 3 & Table C-5.

I also note that a second drill pipe production facility in Canada is owned by a U.S. processor (“Grant Prideco”). I acknowledge that Grant Prideco is unlikely to import drill pipe from its Canadian affiliate to the detriment of its domestic production operations; in my view, however, such rationalization of production within a family of affiliated companies, in and of itself, says nothing about the likely volume or pricing of imports from Grant Prideco’s affiliate in the event of revocation, nor does it provide an indication of the likely impact of such imports on the remaining unaffiliated producers within the domestic industry.

Based upon the foregoing, I find that revocation of the order on drill pipe from Canada would be likely to result in significant volumes of imports within a reasonably foreseeable time.

Likely Price Effects—

The Commission attempted to collect pricing data for 3 types of drill pipe but there were no reported sales, either from domestic producers or importers. I note that the average unit values of subject imports *** exceed the average unit values of domestic shipments during the period of review; however, given that current import volumes of drill pipe from Canada are relatively minimal, I do not consider a comparison of average unit value data for Canadian and domestic product to be probative of likely price effects in the event of revocation. In addition, as noted, the Commission did not examine pricing data specific to the drill pipe industry in its original determination.

Based upon my determination that revocation of the order on drill pipe is likely to result in significant import volumes from Canada, I further determine that such an influx of imports will likely result in significant price suppression or depression within a reasonably foreseeable time.

Likely Impact—

First, I note that the number of U.S. producers of drill pipe posting operating losses was *** in 1997 and *** in interim 1999;²¹ in addition, the operating income of the domestic industry declined from *** in 1997 to *** in interim 1999.²² I further note that capacity utilization among domestic producers declined from *** percent in 1997 to *** percent in interim 1999; although the average capacity of the domestic industry increased *** percent between 1997 and 1998, it then declined *** percent between interim 1998 and interim 1999.²³ This dramatic deterioration in the fortunes of the domestic industry over the period of review demonstrates that the domestic industry producing drill pipe currently is in a vulnerable condition. In my view, it is therefore critical to the continuing health of the domestic industry that U.S. producers be able to take advantage of the more recent upturn in the prospects for this industry. Indeed, notwithstanding this most recent upturn, the industry is far from returning to the levels of performance evidenced prior to the collapse in apparent U.S. consumption.

In light of the foregoing, I find that with respect to revocation of the order on drill pipe from Canada, the likely influx of significant import volumes would likely cause significant negative price effects in the U.S. market, thereby causing a significant adverse impact on the domestic industry’s production, shipments, sales, market share, and revenues. These reductions in production, shipments,

²¹ CR and PR Table OCTG-III-12.

²² CR and PR Table C-5.

²³ CR and PR Table C-5.

sales, market share, and revenues, would further result in a significant decline in the domestic industry's profitability and ability to raise capital and maintain necessary capital investments.

Conclusion:

I determine that revocation of the order on drill pipe from Canada would be likely to result in continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time, and that revocation of the order on drill pipe from Taiwan would not be likely to result in continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

III. SUMMARY OF DETERMINATIONS

As noted in the views of the majority, I determine that revocation of the orders on CWP from Brazil, India, Korea, Mexico, Taiwan, Thailand, Turkey, and Venezuela, would be likely to result in continuation or recurrence of material injury to a domestic industry within a reasonably foreseeable time. Similarly, I determine that revocation of the orders on LWR from Argentina, Singapore, and Taiwan, would be likely to result in continuation or recurrence of material injury to a domestic industry within a reasonably foreseeable time.

In addition, for the reasons set forth above, I determine that revocation of the orders on OCTG other than drill pipe from Canada and Taiwan would be likely to result in continuation or recurrence of material injury to a domestic industry within a reasonably foreseeable time. I also determine that revocation of the order on drill pipe from Canada would be likely to result in continuation or recurrence of material injury to a domestic industry within a reasonably foreseeable time. Finally, I determine that revocation of the order on drill pipe from Taiwan would not be likely to result in continuation or recurrence of material injury to a domestic industry within a reasonably foreseeable time.

**DISSENTING VIEWS OF COMMISSIONER THELMA J.
ASKEY CONCERNING LIGHT-WALLED RECTANGULAR PIPES
AND TUBES FROM ARGENTINA AND TAIWAN**

Section 751(d) of the Tariff Act of 1930, as amended, requires the Department of Commerce to revoke an antidumping duty or countervailing duty order in a five-year (“sunset”) review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the Commission determines that material injury would be likely to continue or recur within a reasonably foreseeable time.¹

Based on the record in these five-year reviews, I determine that revocation of the antidumping duty orders on light-walled rectangular pipes and tubes (“LWR”) from Argentina, Singapore, and Taiwan would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. I write separately to explain my determinations with respect to these orders. I concur with my colleagues with respect to their findings concerning the domestic like product, the domestic industry and related parties, cumulation, no discernible adverse impact, conditions of competition, and the legal standard governing the Commission’s causation analysis in sunset reviews. Accordingly, I join the Commission’s joint views discussing these issues unless otherwise noted.

As a preliminary matter, I note that domestic producers accounting for the significant majority of production of the domestic like product chose to participate in these reviews but that no producers or importers of subject product from Argentina, Singapore, or Taiwan chose to participate. Given the level of responses in these reviews, the Commission has a somewhat limited record to consider in determining whether revocation of the orders will likely lead to continuation or recurrence of material injury in the reasonably foreseeable future. In a case such as this, where the domestic interested parties (and no respondent producers, exporters or importers) fully participated in certain reviews, the participating parties have an advantage in terms of being able to present information to the Commission without rebuttal from the other side. Nonetheless, irrespective of the source of information on the record, the statute obligates the Commission both to investigate the matters at issue and to evaluate the information and evidence before it in terms of the statutory criteria.² The Commission cannot properly accept participating parties’ information and characterizations thereof without question and without evaluating other available information and evidence.³

I. REVOCATION OF THE ANTIDUMPING DUTY ORDERS COVERING IMPORTS OF LIGHT-WALLED RECTANGULAR PIPES AND TUBES FROM ARGENTINA AND TAIWAN IS NOT LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

¹ 19 U.S.C. §§ 1675(d)(2) and 1675a(a)(1).

² 19 U.S.C. § 1675a(a).

³ See, e.g., *Alberta Pork Producers’ Mktg. Bd. v. United States*, 669 F. Supp. 445, 459 (Ct. Int’l Trade 1987) (“Commission properly exercised its discretion in electing not to draw an adverse inference from the low response rate to questionnaires by the domestic swine growers since the fundamental purpose of the rule to ensure production of relevant information is satisfied by the existence of the reliable secondary data.”).

A. *Likely Volume of the Cumulated Imports from Argentina and Taiwan*

In evaluating the likely volume of imports of subject merchandise if an antidumping order is revoked, the statute directs the Commission to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁴ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁵

In its original 1989 determinations concerning LWR from Argentina and Taiwan the Commission found that the volume of the cumulated imports had been increasing.⁶ Cumulated imports from Argentina and Taiwan had increased their domestic market share from 0.2 percent in 1985 to 4.5 percent in 1986 and to 10.2 percent in 1987.⁷ Imports from Taiwan continued at low levels for three years after the orders went into place in 1989 and have been at zero or *de minimis* since that time.⁸ Imports from Argentina have been zero since the order went into place.⁹ Accordingly, there have been essentially no imports since 1988 from Argentina and from Taiwan since 1992. Moreover, nonsubject import volumes in the past five years have been three to five times the volume of subject imports at their peak.¹⁰

The current record contains limited data regarding the industries in Argentina and Taiwan and does not contain data on the LWR industries in each of those countries. Rather we have aggregate data showing total capacity for all producers capable of producing welded carbon steel pipes and tubes in the size range of subject LWR.¹¹ Combined capacity for those producers is listed as 1.5 million short tons per year.¹² While we do not have breakdowns for LWR production capacity, comparison with the U.S. industry and available Argentinian export data suggests that the proportion of that 1.5 million short ton capacity devoted to LWR is likely to be relatively small.

The estimate of 1.5 million short tons of capacity is derived from combining the capacities of the various plants in the two countries that are capable of producing welded pipes in the size range of LWR.¹³ By way of comparison, a birds-eye view of the U.S. industry, based upon the same superficial knowledge of capacity figures and production capabilities as we have for the subject country industries

⁴ 19 U.S.C. § 1675a(a)(2).

⁵ 19 U.S.C. § 1675a(a)(2)(A)–(D).

⁶ Certain Light-Walled Rectangular Pipes and Tubes from Taiwan, Inv. No. 731-TA-410 (Final), USITC Pub. 2169 (Mar. 1989), pp. 24–25, 33–34 and 56–67; Certain Light-Walled Rectangular Pipes and Tubes from Argentina, Inv. No. 731-TA-409 (Final), USITC Pub. 2187 (May 1989), pp. 8, 23.

⁷ CR and PR at Table LWR-I-1.

⁸ CR and PR at Table D-3.

⁹ *Id.*

¹⁰ *See id.*

¹¹ CR at LWR-II-3, PR at LWR-II-2.

¹² Rated capacity for producers in Argentina is 848,000 short tons annually and 697,000 short tons annually for those in Taiwan. CR at LWR-II-3, PR at LWR-II-2.

¹³ Tables G-1 and G-7, CR and PR at Appendix G.

shows a potential domestic LWR capacity of at least 3.6 million short tons in 1998.¹⁴ Actual domestic LWR capacity in 1998 was 599,170 short tons, so roughly only 16 percent of that total capacity was allocated to LWR production. For purposes of comparison, 16 percent of the combined potential production capacity in Argentina and Taiwan would be 255,000 short tons, as compared with U.S. domestic LWR consumption of 565,000 short tons in 1998¹⁵ and combined CWP and LWR consumption of 3.6 million short tons.¹⁶

No export data are available for Taiwan, but public data indicates that pipe and tube exports (i.e., pipe and tube that could include subject LWR) from Argentina were small in recent years: In 1998, such exports were only 9,910 short tons and were sent to neighboring South American countries. Accordingly, total Argentine exports of pipe and tube that could include LWR in 1998 represented only 1.2 percent of total pipe and tube production capacity.¹⁷

Finally, with respect to the other statutory factors, I note that the record does not contain any data regarding subject import inventories and that there do not appear to be any substantial barriers to the subject imports entering other markets. With respect to product shifting, most foreign and domestic producers have the ability to shift their production among a variety of different pipe and tube products, including LWR, but given the relatively small size of the domestic LWR market, and that the CWP market is much larger and of higher value,¹⁸ it is unlikely that subject country producers would shift production from other products to LWR in significant quantities.

In sum, this evidence suggests to me that it is unlikely that subject producers are producing or are likely to produce and export to the United States significant volumes of subject LWR. LWR makes up a relatively small proportion of the domestic overall pipe and tube industry generally, and the limited available data shows Argentina's pipe and tube exports—of which some portion may be of subject LWR—to be very small and focused on neighboring markets. Moreover, the subject producers have been absent from the domestic market for 8–10 years, making it more difficult for them to be able to quickly reestablish a presence in a market containing strong competition between domestic and nonsubject imports. Accordingly, I find that the volume of the cumulated subject imports from Argentina and Taiwan are not likely to be significant upon revocation of the orders.

B. Likely Price Effects of the Cumulated Imports from Argentina and Taiwan

In evaluating the likely price effects of subject imports if the antidumping duty order is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared with the domestic like product, and whether the subject imports are likely to

¹⁴ This consists of 599,170 reported short tons for LWR producers and 3,039,075 reported short tons for CWP producers. See Tables CIRC-I-1 and LWR-I-1, CR at CIRC-I-8 and LWR-I-7, PR at CIRC-I-8 and LWR-I-6.

¹⁵ CR and PR at Table LWR-I-1.

¹⁶ See *id.* and Table CIRC-I-1.

¹⁷ Total capacity for welded carbon steel pipes and tubes, which could include LWR, is reported as 848,000 short tons in 1998, as compared with exports of 9,910 short tons. CR at LWR-IV-4, PR at LWR-IV-3.

¹⁸ In interim 1999, available data shows LWR at \$498 per short ton in contrast to CWP at \$545 per short ton, and in 1998, LWR at \$539 per short ton and CWP at \$576 per short ton. See CR and PR at Tables LWR-I-4 and CIRC-I-6.

enter the United States at prices that would have a significant depressing or suppressing effect on the prices of the domestic like product.¹⁹

In its 1989 determinations involving LWR from Argentina and Taiwan, the record indicated that subject imports had undersold the domestic like product in 67 of 69 possible comparisons, by margins of between 5.0 percent and 30.1 percent.²⁰ Of the four commissioners making affirmative determinations, two found that subject imports had suppressed prices for the domestic like product²¹ and two merely noted that the subject imports had undersold the domestic like product.²² There have been no recent LWR imports from Argentina and Taiwan²³ so current price comparisons are not possible.

I find that the cumulated subject imports from Argentina and Taiwan are not likely to have significant adverse effects on domestic prices if the orders are revoked. The earlier record indicates that the subject merchandise and domestic like product were substitutable and that there was pervasive underselling on the part of the subject imports during that time, thus making it theoretically possible that they would do so today should subject imports reenter the domestic market. Nonetheless, as I discussed above, the record indicates that it is unlikely that there will be a significant increase in the volumes of the cumulated subject imports upon revocation of the orders, making significant adverse price effects unlikely.

Accordingly, I find that the cumulated subject imports from Argentina and Taiwan are not likely to have significant adverse effects on domestic prices upon revocation of the orders.

C. Likely Impact of the Cumulated Imports from Argentina and Taiwan

In evaluating the likely impact of imports of subject merchandise if the antidumping duty order is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.²⁴ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.²⁵

In the original investigations, the Commission found that a number of industry performance indicators improved between 1985 and 1987, but then declined in interim 1988. The two Commissioners making present material injury determinations found that the industry's health was not so strong as to

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

²⁰ Original Confidential Report in Inv. No. 731-TA-410 (Final) (Mar. 6, 1989) at A-47–A-48, Tables 17 and 18.

²¹ USITC Pub. 2169 at 30–31, 35–42; USITC Pub. 2187 at 11.

²² USITC Pub. 2169 at 56; USITC Pub. 2187 at 23.

²³ Table LWR-I-1, CR at LWR-I-5 and LWR-I-6, PR at LWR-I-4 and LWR-I-5. *See also* Table D-3, CR and PR at Appendix D.

²⁴ 19 U.S.C. § 1675a(a)(4).

²⁵ *Id.*

preclude an affirmative determination, while the two Commissioners making threat determinations found that the industry was in a vulnerable condition.²⁶

Domestic consumption of LWR has doubled since 1987, increasing from 288,446 short tons in 1987 to 564,898 short tons in 1998.²⁷ Domestic producer shipments have likewise doubled, increasing from 207,888 short tons in 1987 to 404,970 short tons in 1998.²⁸ The domestic industry has in the past three years retained roughly the same market shares it held during the original investigation; shares of 68–73 percent during the original investigation and of 67–72 percent in the past three years.²⁹ While subject import market share has declined to zero or near zero in recent years, nonsubject imports have increased. Accordingly, the domestic industry has retained a stable share of a market that has grown substantially, even as the industry has competed with a substantial volume of nonsubject imports. Moreover, the industry's gross profits, operating income and operating ratios have all been healthy and steady over the past three years, with operating ratios of 9–10 percent in each year.³⁰ I find that the U.S. industry is not currently in a vulnerable state and that the industry is in a strong position to continue to compete successfully with imports were the subject imports to increase in the event of revocation.

As I discussed above, the record of these reviews indicates that the subject imports from Argentina and Taiwan are not likely to have significant adverse volume and price effects on the domestic industry within the reasonably foreseeable future if the orders were revoked. Accordingly, I also find that the cumulated subject imports would not be likely to have a significant impact on the domestic industry's cash flow, inventories, employment, wages, growth, ability to raise capital, investment or development efforts within a reasonably foreseeable time if the orders were revoked. Further, I find that revocation of the orders would not be likely to lead to a significant reduction in U.S. producers' output, sales, market share, profits, productivity, ability to raise capital, or return on investments within a reasonably foreseeable time.

Accordingly, I find that revocation of the antidumping orders covering LWR from Argentina and Taiwan is not likely to have a significant impact on the domestic industry. I therefore determine that revocation of the antidumping duty orders covering these imports would not be likely lead to continuation or recurrence of material injury within a reasonably foreseeable time.

²⁶ USITC Pub. 2187 at 13, 17–19.

²⁷ CR and PR at Table LWR-I-1.

²⁸ *Id.*

²⁹ *Id.*

³⁰ CR and PR at Table C-3. The industry had healthy and stable gross profits of \$19.1 million and \$18.1 million in 1997 and 1998, respectively, and operating income of \$10.9 million and \$10.5 million in those same years. Hours worked, wages paid and productivity all increased and the cost of goods sold declined in those years and into interim 1999. *Id.* By contrast, during the original investigations the industry's operating margins were between 2.6 percent and 4.6 percent. CR and PR at LWR-I-1.



UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC



**CIRCULAR WELDED CARBON STEEL PIPES AND TUBES
FROM BRAZIL, INDIA, KOREA, MEXICO, TAIWAN,
THAILAND, TURKEY, AND VENEZUELA**

Investigations Nos. 701-TA-253 (Review) and
731-TA-132, 252, 271, 273, 532–534, 536, and 537 (Review)

July 2000

CIRC-I: INTRODUCTION AND OVERVIEW

BACKGROUND

One countervailing duty (CVD) order and nine antidumping duty (AD) orders on circular welded carbon steel pipes and tubes¹ are subject to these review investigations.² The CVD order on circular welded carbon steel pipes and tubes from Turkey was issued in March 1986. Presented below is a tabulation that lists the AD orders on this product.

Country	Order date
Taiwan (certain small diameter product only)	May 7, 1984
Thailand	March 11, 1986
India, Turkey	May 12 (India) and May 15 (Turkey), 1986
Brazil, Korea, Mexico, Taiwan, Venezuela	November 2, 1992

On May 3, 1999, the U.S. International Trade Commission (Commission) instituted five-year reviews concerning all of the subject orders. On August 5, 1999, the Commission determined that full reviews should proceed to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time (64 FR 45276, August 19, 1999). Detailed information relating to the background of these reviews is provided in the following tabulation.

¹ The U.S. International Trade Commission (Commission) requested information on circular welded carbon steel pipes and tubes in its Notice of Institution of Five-Year Reviews, defined as

- (1) circular welded carbon steel pipes and tubes with an outside diameter of at least 0.375 inch {9.53 mm} but not more than 4.5 inches {114.3 mm}, (2) circular welded carbon steel standard pipes and tubes with {an} outside diameter of at least 0.375 inch {9.53 mm} but not more than 16 inches {406.4 mm}, (3) circular welded carbon steel line pipes and tubes with {an} outside diameter of at least 0.375 inch {9.53 mm} but not more than 16 inches {406.4 mm} . . . and [4] standard and structural pipes and tubes, including unfinished conduit pipe.

64 FR 23679, 23681, May 3, 1999. The scope of the reviews on these subject products as defined by the U.S. Department of Commerce (Commerce) is presented in "The Subject Products," *infra*.

² Following is a listing of the orders currently in place against similar products as those under review:

Investigations Nos.	Products and countries
731-TA-846-850	Seamless carbon and alloy steel standard, line, and pressure pipe and tube from the Czech Republic, Japan, Mexico, Romania, and South Africa
701-TA-362, 731-TA-707-710	Seamless pipe from Argentina, Brazil, Germany, and Italy

Date	Action	<i>Federal Register</i> citation ¹
May 3, 1999	Commission's institution of five-year reviews ²	64 FR 23679
August 5, 1999	Commission's determination to conduct full five-year reviews ³	64 FR 45276, August 19, 1999
September 28, 1999	Commission's scheduling of full five-year reviews	64 FR 54354, October 6, 1999
December 3, 1999	U.S. Department of Commerce's final results of expedited AD reviews	(4)
March 9, 2000	Commission's hearing ⁵	(6)
(7)	Commission's revised schedules for the subject five-year reviews	(7)
March 28, 2000	Commerce's final results of full CVD review	65 FR 17486 April 3, 2000
June 22, 2000	Commission's vote	(6)
July 26, 2000	Commission's determinations sent to Commerce	(6)
<p>¹ The cited <i>Federal Register</i> notices are presented in app. A.</p> <p>² In this notice, the Commission also instituted a five-year review of the CVD order on welded carbon steel line pipe from Turkey (701-TA-253). Because no domestic party responded to Commerce's sunset review notice of initiation by the applicable deadline, Commerce revoked the order, effective January 1, 2000 (64 FR 30305, June 7, 1999). Accordingly, the Commission terminated its review of the CVD on welded carbon steel line pipe from Turkey, effective June 7, 1999 (64 FR 32064, June 15, 1999).</p> <p>³ The explanation of the Commission's determination on adequacy is presented in app. A.</p> <p>⁴ The <i>Federal Register</i> citations are 64 FR 67854 (Brazil), 64 FR 67879 (India), 64 FR 67854 (Korea), 64 FR 67854 (Mexico), 64 FR 67873 (small diameter circular welded carbon steel pipes and tubes, Taiwan), 64 FR 67854 (other circular pipe, Taiwan), 64 FR 67852 (Thailand), 64 FR 67876 (Turkey), and 64 FR 67854 (Venezuela). All notices appeared on December 3, 1999.</p> <p>⁵ A list of witnesses appearing at the public hearing is presented in app. B.</p> <p>⁶ Not applicable.</p> <p>⁷ On March 24, 2000, the Commission revised its schedule (65 FR 17307, March 31, 2000). Subsequently, on June 8 and 13, 2000, the record was reopened with respect to oil country tubular goods (65 FR 37409, June 14, 2000; 65 FR 38000, June 19, 2000).</p>		

THE ORIGINAL INVESTIGATIONS

Certain Circular Welded Carbon Steel Pipes and Tubes from Turkey (Inv. No. 701-TA-253)

The subject order results from affirmative determinations by the Commission and Commerce to a petition filed on July 16, 1985, by counsel for the individual producer members of the subcommittees on standard and line pipe of the Committee on Pipe and Tube Imports (CPTI) alleging that manufacturers, producers, or exporters in Turkey of certain circular welded carbon steel standard pipes and tubes received subsidies within the meaning of section 701 of the Tariff Act of 1930 and that imports of these products were materially injuring or threatened injury to a U.S. industry.

Certain Circular Welded Carbon Steel Pipes and Tubes from Brazil, Korea, Mexico, Taiwan, and Venezuela (Invs. Nos. 731-TA-532-534, 536, and 537)

The subject orders result from affirmative determinations by the Commission and Commerce to petitions filed on September 24, 1991, by Allied Tube & Conduit Corp., American Tube Co., Bull Moose Tube Co. Century Tube Corp., Laclede Steel Co., Sawhill Tubular Division (Cyclops Corp.), Sharon

Tube Co., Western Tube & Conduit Corp., and Wheatland Tube Co. alleging that certain circular welded carbon steel pipes and tubes from Brazil, Korea, Mexico, Taiwan, and Venezuela were being, or were likely to be, sold in the United States at less than fair value (LTFV) and that these imports were materially injuring, or threatened material injury to, a U.S. industry.

Certain Circular Welded Carbon Steel Pipes and Tubes from Thailand (Inv. No. 731-TA-252)

The subject order results from affirmative determinations by the Commission and Commerce to a petition filed on February 28, 1985, by counsel for the individual producer members of the standard pipe and tube subcommittee and the line pipe subcommittee of the CPTI alleging that certain circular welded carbon steel pipes and tubes from Thailand were being, or were likely to be, sold in the United States at LTFV and that these imports were materially injuring, or threatened material injury to, a U.S. industry.

**Certain Circular Welded Carbon Steel Pipes and Tubes from India and Turkey
(Invs. Nos. 731-TA-271 and 273)**

The subject orders result from affirmative determinations by the Commission and Commerce to petitions filed on July 16, 1985, by counsel for the individual producer members of the standard pipe and tube subcommittee and the line pipe subcommittee of the CPTI alleging that certain circular welded carbon steel pipes and tubes from India and Turkey were being, or were like to be, sold in the United States at LTFV and that these imports were materially injuring, or threatened material injury to, a U.S. industry.

**Certain Small Diameter Circular Welded Carbon Steel Pipes and Tubes from Taiwan
(Inv. No. 731-TA-132)**

The subject order results from affirmative determinations by the Commission and Commerce to a petition filed on April 21, 1983, by counsel for the individual producer members of the CPTI alleging that certain circular welded carbon steel pipes and tubes from Taiwan were being, or were likely to be, sold in the United States at LTFV and that these imports were materially injuring, or threatened material injury to, a U.S. industry.

SUMMARY DATA

A summary of data collected in these reviews is presented in appendix C. Table C-1 presents data on all circular welded carbon steel pipes and tube and table C-2 presents data on certain small diameter circular welded carbon steel pipes and tubes (a subset of all circular welded carbon steel pipes and tubes). U.S. industry data are based on questionnaire responses from 25 domestic producers that accounted in 1998 for over 90 percent of estimated shipments of circular welded carbon steel pipes and tubes.³ U.S. import data are based on official Commerce statistics, import listings provided by the U.S. Customs Service (Customs), and on questionnaire responses of importers. Available comparative data

³ Coverage estimates are derived from information submitted in response to the Commission's Notice of Institution in these reviews.

from the original investigations and the current reviews are presented in table CIRC-I-1. Historical data on U.S. imports from the subject countries are presented in appendix D.⁴

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation “would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.”⁵

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

(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--

(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,

(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,

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

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

⁴ Between October 1, 1984, and March 31, 1992, imports of circular welded carbon steel pipes and tubes from Brazil, Korea, Mexico, and Venezuela were subject to quantitative limitations under negotiated voluntary restraint agreements (VRAs). Under the VRAs, foreign governments agreed to limit steel exports to the U.S. market over specified time periods. The VRAs limited imports of circular welded carbon steel pipes and tubes as well as other pipe and tube products. There was no VRA with Taiwan, although through letters from the Coordination Council for North American Affairs (CCNAA) to the American Institute in Taiwan, the CCNAA established unilateral restraints on steel exports to the United States. *Certain Circular, Welded, Non-Alloy Steel Pipes and Tubes from Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela*, Invs. Nos. 731-TA-532–537 (Final) (October 8, 1992), pp. I-66–I-68 (staff report).

⁵ Certain transition rules apply to the scheduling of reviews (such as these) involving antidumping and countervailing duty orders and suspensions of investigations that were in effect prior to January 1, 1995 (the date the WTO Agreement entered into force with respect to the United States). Reviews of these transition orders will be conducted over a three-year transition period running from July 1, 1998, through June 30, 2001. Transition reviews must be completed not later than 18 months after institution.

Table CIRC-I-1
Circular welded carbon steel pipes and tubes: Comparative data from the original investigations on Brazil, India, Korea, Mexico, Taiwan, Thailand, Turkey, and Venezuela and the current reviews, 1983-85, 1989-91, 1997-98, January-September 1998, and January-September 1999

Item	(Quantity in short tons, value in \$1,000, unit values are per short ton)									
	Calendar year									
	1983	1984	1985	1989	1990	1991	1997	1998	1998	1999
U.S. consumption quantity:										
Amount	2,102,000	2,467,000	2,433,000	2,009,967	2,134,753	1,920,115	2,812,359	2,996,472	2,304,619	2,191,218
Producers' share (percent)	43.8	37.4	41.1	60.8	63.3	63.1	76.2	73.0	73.2	73.8
Importers' share (percent)										
Brazil	(¹)	(¹)	(¹)	1.5	3.0	2.8	(²)	(²)	(²)	(²)
India	(²)(³)	0.2 ³	0.7 ³	(¹)	(¹)	(¹)	0.4	0.4	0.5	0.3
Korea	(¹)	(¹)	(¹)	14.7	14.2	16.9	6.2	5.8	5.2	5.9
Mexico	(¹)	(¹)	(¹)	3.2	3.2	2.5	0.1	0.5	0.5	0.9
Taiwan	(¹)	(¹)	(¹)	2.0	2.0	2.0	0.8	1.4	1.5	1.4
Thailand ⁴	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	2.2	0.9	1.2	1.6
Turkey	(²)	0.1	1.5	(¹)	(¹)	(¹)	0.1	0.2	0.1	0.6
Venezuela	(¹)	(¹)	(¹)	0.4	0.9	0.9	(²)	0.1	0.1	0.0
All subject countries ⁵	0.0	0.3	2.2	21.9	23.3	25.1	9.8	9.5	9.2	10.8
All other ⁶	56.2	62.3	56.7	17.3	13.4	11.8	14.0	17.6	17.6	15.4
Total imports	56.2	62.6	58.9	39.2	36.7	36.9	23.8	27.0	26.8	26.2
U.S. imports from—										
Brazil:										
Quantity	(¹)	(¹)	(¹)	30,748	63,855 ⁷	54,488 ⁷	69	45	38	45
Value	(¹)	(¹)	(¹)	15,866	25,655 ⁷	26,715 ⁷	139	82	70	72
Unit value	(¹)	(¹)	(¹)	\$516	\$402 ⁷	\$490 ⁷	\$2,032	\$1,808	\$1,844	\$1,595

Footnotes appear at the end of the table.

Table CIRC-I-1—Continued
 Circular welded carbon steel pipes and tubes: Comparative data from the original investigations on Brazil, India, Korea, Mexico, Taiwan, Thailand, Turkey, and Venezuela and the current reviews, 1983–85, 1989–91, 1997–98, January–September 1998, and January–September 1999

Item	(Quantity in short tons, value in \$1,000, unit values are per short ton)									
	Calendar year									
	1983	1984	1985	1989	1990	1991	1997	1998	1998	1999
U.S. imports from— (Continued)										
India:										
Quantity	39 ³	4,182 ³	17,416 ³	(¹)	(¹)	(¹)	10,095	12,137	11,190	7,429
Value	194 ³	629 ³	7,834 ³	(¹)	(¹)	(¹)	5,367	6,211	5,686	3,097
Unit value	\$349 ³	\$317 ³	\$351 ³	(¹)	(¹)	(¹)	\$532	\$512	\$508	\$417
Korea:										
Quantity	(¹)	(¹)	(¹)	295,643	302,675	324,704	173,579	174,929	120,983	129,806
Value	(¹)	(¹)	(¹)	166,677	160,310	172,590	80,284	79,702	56,583	52,656
Unit value	(¹)	(¹)	(¹)	\$564	\$530	\$532	\$463	\$456	\$468	\$406
Mexico:										
Quantity	(¹)	(¹)	(¹)	65,294	68,828	48,240	3,407	16,282	12,501	19,875
Value	(¹)	(¹)	(¹)	35,346	36,716	25,268	1,957	8,262	6,360	9,712
Unit value	(¹)	(¹)	(¹)	\$541	\$533	\$524	\$574	\$507	\$509	\$489
Taiwan:										
Quantity	(¹)	(¹)	(¹)	40,496 ⁸	42,173 ⁸	38,533 ⁸	23,027	41,007	33,980	30,792
Value	(¹)	(¹)	(¹)	17,847 ⁸	19,632 ⁸	18,295 ⁸	10,861	18,144	15,306	11,353
Unit value	(¹)	(¹)	(¹)	\$441 ⁸	\$466 ⁸	\$475 ⁸	\$472	\$442	\$450	\$369
Thailand: ⁴										
Quantity	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	62,328	28,049	28,049	35,251
Value	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	30,740	13,996	13,996	14,898
Unit value	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	\$493	\$499	\$499	\$423

Footnotes appear at the end of the table.

Table CIRC-I-1—Continued
Circular welded carbon steel pipes and tubes: Comparative data from the original investigations on Brazil, India, Korea, Mexico, Taiwan, Thailand, Turkey, and Venezuela and the current reviews, 1983–85, 1989–91, 1997–98, January–September 1998, and January–September 1999

Item	Calendar year										January–September	
	1983	1984	1985	1989	1990	1991	1997	1998	1998	1999	1998	1999
(Quantity in short tons, value in \$1,000, unit values are per short ton)												
U.S. imports from— (Continued)												
Turkey:												
Quantity	505	2,578	36,277	(¹)	(¹)	(¹)	2,674	7,396	2,469	12,970		
Value	200	821	12,389	(¹)	(¹)	(¹)	1,225	3,334	1,163	4,920		
Unit value	\$396	\$318	\$341	(¹)	(¹)	(¹)	\$458	\$451	\$471	\$379		
Venezuela:												
Quantity	(¹)	(¹)	(¹)	7,990	18,497	16,353	110	3,327	3,327	0		
Value	(¹)	(¹)	(¹)	3,890	8,675	8,102	66	1,660	1,660	0		
Unit value	(¹)	(¹)	(¹)	\$487	\$469	\$495	\$602	\$499	\$499	(⁹)		
All subject countries: ⁵												
Quantity	544	4,563	59,339	440,171	496,028	482,318	275,288	283,174	212,537	236,170		
Value	394	1,450	20,223	239,626	250,988	250,970	130,641	131,391	100,824	96,707		
Unit value	\$724	\$318	\$341	\$544	\$506	\$520	\$475	\$464	\$474	\$409		
Other sources:												
Quantity ⁶	1,181,108	1,539,578	1,374,191	348,100	287,397	225,816	393,202	526,937	405,855	337,316		
Value ⁶	398,775	573,413	531,561	196,473	163,431	139,963	239,456	299,612	232,489	187,489		
Unit value ⁶	\$338	\$372	\$387	\$564	\$569	\$620	\$609	\$569	\$573	\$556		
All sources:												
Quantity	1,181,652	1,544,141	1,433,530	788,271	783,425	708,134	668,490	810,111	618,392	573,486		
Value	399,169	574,863	551,784	436,099	414,419	390,933	370,097	431,002	333,313	284,196		
Unit value	\$338	\$372	\$385	\$553	\$529	\$552	\$554	\$532	\$539	\$496		

Footnotes appear at the end of the table.

Table CIRC-I-1—Continued
Circular welded carbon steel pipes and tubes: Comparative data from the original investigations on Brazil, India, Korea, Mexico, Taiwan, Thailand, Turkey, and Venezuela and the current reviews, 1983–85, 1989–91, 1997–98, January–September 1998, and January–September 1999

Item	(Quantity in short tons, value in \$1,000, unit values are per short ton)									
	Calendar year									
	1983	1984	1985	1989	1990	1991	1997	1998	1998	1999
U.S. producers'—										
Capacity (short tons)	1,731,000	1,770,000	1,824,000	1,734,843	2,003,270	1,886,781	2,960,690	3,039,075	2,286,578	2,297,082
Production (short tons)	908,000	933,000	1,003,000	1,220,136	1,367,206	1,201,914	2,256,226	2,226,684	1,705,991	1,604,410
U.S. shipments (quantity)	920,000	923,000	999,000	1,221,696	1,351,328	1,211,981	2,143,869	2,186,361	1,686,227	1,617,732
Export shipments (quantity)	***	***	***	***	***	***	102,827	48,401	37,960	36,819
Production workers	3,104	2,911	2,874	2,674	2,915	2,605	2,869	2,996	2,862	2,850
Hours worked (1,000s)	5,531	5,427	5,553	4,638	5,145	4,634	6,132	6,160	4,648	4,651
Net sales (value) ¹⁰	441,328	491,433	494,814	744,580	782,618	673,332	1,309,986	1,301,467	1,017,477	907,007
Operating income/sales (percent) ¹⁰	(4.4)	(0.5)	1.1	6.0	5.1	5.7	9.8	9.0	9.2	8.5

¹ Nonsubject country in applicable original investigation time period.

² Less than 0.05 percent.

³ Figures for India include only imports at less than fair value (LTFV) as reported by counsel for the Engineering Export Promotion Council.

⁴ Comparative data from the original investigation on Thailand does not correspond with the periods above. In the original investigation, imports from Thailand in 1982 and 1983 were zero, in 1984 were 50 tons, and in January–November 1985 were 23,738 tons. In 1984 and the partial period for 1985, these figures represent less than 0.05 percent and 0.7 percent of domestic consumption, respectively (figure for the 1985 partial period represents January–September only).

⁵ Subject countries during the relevant original investigation time period and also currently under review.

⁶ Commission staff adjusted imports in 1997 and 1998 and in the interim periods in 1998 and 1999 from "other sources" by an amount equal to imports alleged to be Canadian mechanical tubing for automotive applications, as determined from U.S. Customs Service information. See p. CIRC-IV-1, fn. 1, for more information. In 1998, imports from Canada accounted for 47.2 percent of adjusted nonsubject imports by quantity (58.6 percent by value), approximately 8.3 percent of U.S. consumption quantity. In 1998, China accounted for 18.5 percent of adjusted nonsubject imports by quantity (15.3 percent by value), approximately 3.2 percent of U.S. consumption quantity.

⁷ 1990 and 1991 figures for Brazil include 8,148 and 10,292 short tons, respectively, with c.i.f. values of \$3.6 million and \$4.8 million that the Bureau of the Census has verified to be the subject pipes and tubes but were incorrectly classified in another HTS subheading.

⁸ Figures for Taiwan include only subject imports in that investigation (i.e., exclude certain small diameter carbon steel pipes and tubes).

⁹ Not applicable.

¹⁰ Data for 1997, 1998, and the 1998 and 1999 interim periods based on responses from *** companies.

Notes—For unaadjusted pre- and post-order import figures for all subject countries in the current reviews, see appendix D. Because of rounding, figures may not add to the totals shown; unit values and shares for 1997, 1998, and the 1998 and 1999 interim periods are computed from the unrounded data; for 1983–85, from the rounded figures; and for 1989–91, from the figures provided in the report.

Sources: Compiled from data submitted in response to Commission questionnaires; official Commerce statistics, except as noted; staff report for Certain Welded Carbon Steel Pipes and Tubes from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-131, 132, and 138 (Final) (April 11, 1984); staff report for Certain Welded Carbon Steel Pipes and Tubes from Turkey and Thailand, Invs. Nos. 701-TA-253 and 731-TA-252 (Final) (February 5, 1985); staff report for Certain Welded Carbon Steel Pipes and Tubes from India, Taiwan, and Turkey, Invs. Nos. 731-TA-271–273 (Final) (April 15, 1986); and staff report for Certain Circular, Welded, Non-Alloy Steel Pipes and Tubes from Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela, Invs. Nos. 731-TA-532–537 (Final) (October 8, 1992).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Information obtained during the course of these reviews that relates to the above factors is presented throughout this report. Responses by U.S. producers, importers, and purchasers of circular welded carbon steel pipes and tubes and producers of this product in Brazil, India, Korea, Mexico, Taiwan, Thailand, Turkey, and Venezuela to a series of questions concerning the significance of the existing CVD and/or AD orders and the likely effects of their revocation are presented in appendix E.

NATURE AND EXTENT OF SUBSIDIZED SALES

Certain Circular Welded Carbon Steel Pipes and Tubes from Turkey, CVD Investigation and Order

On April 3, 2000, Commerce published its notice of the final results of its full review on certain circular welded carbon steel pipes and tubes from Turkey (65 FR 17486). As a result of its review, Commerce found that revocation of the CVD order would be likely to lead to continuation or recurrence of a countervailable subsidy at the following rates: Bant Boru, 0.00 percent; Erbosan, 2.89 percent; Borusan Group, 0.68 percent; Yucel Boru Group, 0.84 percent; and all others, 2.90 percent. To calculate the subsidy rate for these specific companies and all other companies, Commerce adjusted the company-specific and "all others" CVD rates from the original investigation by adding the rates from the first time a new program was used and subtracting the subsidy rates from programs that have been terminated.

A history of the original order and subsequent administrative reviews is found in appendix F. The following tabulation contains Customs data on the actual duties collected under the CVD order on certain circular welded carbon steel pipes and tubes from Turkey and the customs value of subject imports in fiscal years 1994 through 1998.

Item	1994	1995	1996	1997	1998
	Value (\$1,000)				
Duties collected	1,210	1,255	687	614	117
Value of imports	16,669	17,291	9,462	9,706	5,786

NATURE AND EXTENT OF SALES AT LTFV

On December 3, 1999, Commerce published its notices of the final results of its expedited reviews of the AD orders on circular welded carbon steel pipes and tubes (citations below). As a result of its reviews, Commerce found that revocation of the AD orders would be likely to lead to continuation or recurrence of dumping at the margins presented in table CIRC-I-2. The company-specific and all-others dumping margins shown are from the original investigations because Commerce found that the margins calculated in the original investigations were probative of the behavior of the producers and exporters of the subject products without the discipline of the orders. Commerce has not made any duty-absorption determinations in any of these cases.

Table CIRC-I-2

Circular welded carbon steel pipes and tubes: U.S. Department of Commerce's final results of review of the subject antidumping duty orders

Country and <i>Federal Register</i> citation	Companies and margins (<i>percent</i>)
Brazil (64 FR 67854, December 3, 1999)	Persico Pizzamiglio S.A 103.38 All others 103.38
India (64 FR 67879, December 3, 1999)	Tata Iron and Steel Co. 7.08 All others 7.08
Korea (64 FR 67854, December 3, 1999)	Hyundai Steel Pipe Co. 4.62 Korea Steel Pipe Co. 4.08 Masan Steel Tube Works Co. 11.63 Pusan Steel Pipe Co. 5.35 All others 4.80
Mexico (64 FR 67854, December 3, 1999)	Hylsa S.A. de C.V. 32.62 All others 32.62
Taiwan, certain small diameter circular welded carbon steel pipes and tubes (64 FR 67873, December 3, 1999)	Kao Hsing Chang 9.70 Tai Feng 43.70 Yieh Hsing 38.50 All others 9.70
Taiwan, other circular welded carbon steel pipes and tubes (64 FR 67854, December 3, 1999)	Kao Hsing Chang 19.46 Yieh Hsing 27.65 All others 23.56
Thailand (64 FR 67852, December 3, 1999)	Saha Thai Steel Pipe 15.69 Thai Steel Pipe Industry 15.60 All others 15.67
Turkey (64 FR 67876, December 3, 1999)	Borusan Ithicat ve Dagitim 1.26 Erkboru Profil Sanayi ve Ticaret 23.12 Mannesmann-Summerbank Boru Industrisi 23.12 All others 14.74
Venezuela (64 FR 67854, December 3, 1999)	C.A. Conduven 52.51 All others 52.51
Source: Compiled from Commerce's <i>Federal Register</i> notices.	

A history of the original AD orders and subsequent administrative reviews is presented in appendix F. Table CIRC-I-3 contains Customs data on the actual duties collected under the AD orders on circular welded carbon steel pipes and tubes from Brazil, India, Korea, Mexico, Taiwan, Thailand, Turkey, and Venezuela and the customs value of subject imports in fiscal years 1994 through 1998.

Table CIRC-I-3
Circular welded carbon steel pipes and tubes: Actual duties collected on subject imports, fiscal years 1994-98

Country	1994	1995	1996	1997	1998
	Value (\$1,000)				
Brazil					
Duties collected	0	0	(¹)	0	(¹)
Value of imports	0	0	(¹)	0	(¹)
India					
Duties collected	(¹)	(¹)	(¹)	85	(¹)
Value of imports	(¹)	(¹)	(¹)	1,169	(¹)
Korea					
Duties collected	6,639	6,311	3,369	3,597	2,302
Value of imports	114,302	114,228	68,155	76,492	56,943
Mexico					
Duties collected	524	296	717	234	191
Value of imports	6,524	13,623	8,775	2,518	2,968
Taiwan					
Duties collected	0	(¹)	(¹)	29	203
Value of imports	0	(¹)	(¹)	6,524	16,053
Thailand					
Duties collected	(¹)	(¹)	3,667	3,060	(¹)
Value of imports	(¹)	(¹)	28,625	32,729	(¹)
Turkey					
Duties collected	32	3	0	35	(¹)
Value of imports	9,183	7,689	6,218	4,601	(¹)
Venezuela					
Duties collected	(¹)	0	0	0	0
Value of imports	(¹)	0	0	0	0
¹ Data not available/business proprietary information.					
Source: Compiled from U.S. Customs Service statistics.					

THE SUBJECT PRODUCTS

Although the imported product subject to the CVD and AD orders under review is contained within a group of products broadly termed "certain pipe and tube," circular welded carbon steel pipes and tubes is a distinct category of pipe and tube, defined by specific size and quality parameters and possibly having additional subgroups of similar products. Commerce has published the definitions applicable to each country for this product in various *Federal Register* notices, the most recent of which are presented below.

Certain Circular Welded Carbon Steel Pipes and Tubes from Turkey

The imported products subject to the CVD order on certain circular welded carbon steel pipes and tubes from Turkey have been defined by Commerce as:

“ . . . welded carbon steel pipes and tubes, having an outside diameter of 0.375 inch {9.53 mm} or more, but not more than 16 inches {406.4 mm}, of any wall thickness. These products, commonly referred to in the industry as standard pipe and tube or structural tubing, are produced in accordance with various American Society Testing and Materials (ASTM) specifications, most notably A-53, A-120, A-500, or A-501. The subject merchandise was originally classifiable under item number 416.30 of the Tariff Schedules of the United States Annotated (‘TSUSA’); currently, they are classifiable under item numbers {subheadings} 7306.30.10 and 7306.30.50 of the Harmonized Tariff Schedule of the United States {HTS}.”⁶

Certain Circular Welded Carbon Steel Pipes and Tubes from Brazil, Korea, Mexico, Taiwan, and Venezuela

The imported products subject to the AD orders on certain circular welded carbon steel pipes and tubes from Brazil, Korea, Mexico, Taiwan, and Venezuela have been defined by Commerce as:

“ . . . circular welded non-alloy steel pipe and tube from Brazil, Korea, Mexico, and Venezuela. The product consists of {pipes and tubes of} circular cross-section, not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipes and tubes and are intended for the low-pressure conveyance of water, steam, natural gas, air and other liquids and gases in plumbing and heating systems, air-conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing applications, such as for fence tubing, and as structural pipe tubing used for framing and as support members for reconstruction or load-bearing purposes in the construction, shipbuilding, trucking, farm equipment, and other related industries. Unfinished conduit pipe is also included in this order. All carbon-steel pipes and tubes within the physical description outlined above are included within the scope of this investigation, except line pipe, oil country tubular goods, boiler tubing, mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished conduit. Standard pipe that is dual or triple certified/stenciled that enters the U.S. as line pipe of a kind used for oil and gas pipelines is also not included in this investigation. Imports of the products covered by this order are currently classifiable under the following

⁶ 65 FR 17486, April 3, 2000. Although the TSUSA and HTS provisions are provided for convenience and customs purposes, the written description remains dispositive. The TSUSA applied through the end of 1988; the HTS became effective on January 1, 1989. The scope of all outstanding Commerce orders were converted to the new tariff nomenclature.

Harmonized Tariff Schedule (HTS) subheadings: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, 7306.30.50.90.⁷

“Brazil, Korea, Mexico, and Venezuela—Scope Clarification

On March 21, 1996, in a final scope ruling, the Department determined that: (i) Pipe certified to the [American Petroleum Institute] API 5L line pipe specification, and (ii) pipe certified to both the API 5L line pipe specifications and the less-stringent ASTM A-53 standard pipe specifications which fall within the physical parameters outlined in the scope of the orders and enter as line pipe of a kind used for oil and gas pipelines are outside the scope of the antidumping duty orders on certain welded carbon steel non-alloy pipe from Brazil, Korea, Mexico and Venezuela, irrespective of end use.⁸

Mexico—On December 31, 1995, Tubacero International Corporation requested clarification to determine whether circular welded carbon steel piping, 16 inches {406.4 mm} in outside diameter with 3/8 inch wall thickness, for use in extremely heavy load bearing applications, is within the scope of the order. On April 25, 1996, the Department determined that circular welded carbon steel piping, 16 inches {406.4 mm} in outside diameter with 3/8 inch wall thickness, for use in extremely heavy load bearing applications, is within the scope of the order (see Notice of Scope Rulings, 61 FR 18381 (April 25, 1996)).

“Mexico—Pending Scope Clarification

Cierra Pipe, Incorporated submitted a request for a scope clarification of the subject merchandise to determine whether line pipe ‘shorts,’ or ‘old line pipe’ which has rusted and pitted after sitting in storage, constitute line pipe of a kind used for oil and gas pipelines or is pipe and tubed covered by the order (see 63 FR 59544 (November 4, 1998)).

“Mexico—Pending Anti-Circumvention Inquiry

The domestic interested parties requested a circumvention inquiry to determine whether imports of: (i) Pipe certified to the . . . API 5L line pipe specifications (API 5L, and (ii) pipe certified to both the API 5L line pipe specifications and the less stringent American Society for Testing and Materials (‘ASTM’) A-53 standard pipe specifications (dual certified pipe), falling within the physical dimensions outlined in the scope of the order, are circumventing the antidumping duty order (see 63 FR 41545 (August 4, 1998)).”⁹

⁷ This enumeration comprises covered statistical reporting numbers of HTS subheadings 7306.30.10 and 7306.30.50. The terms used by Commerce are defined or used for purposes of these investigations only.

⁸ 61 FR 11608, March 21, 1996.

⁹ 64 FR 67854, 67855; December 3, 1999. Although the TSUSA and HTS provisions are provided for convenience and customs purposes, the written description remains dispositive. Additionally, the omission of Taiwan from the scope definition was an oversight by Commerce. Telephone conversation with ***, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, January 31, 2000. It remains uncertain whether Commerce’s intention to include Taiwan in this order scope would result in two AD orders applying to certain small diameter carbon steel pipes and tubes or whether additional scope language would have been added to this *Federal Register* notice for the specific circular welded carbon steel pipes and tubes from Taiwan not included in the certain small diameter carbon steel pipes and tubes order scope language.

Commerce terminated this anti-circumvention inquiry on circular welded carbon steel pipes and tubes from Mexico on August 12, 1999 (64 FR 43983).

Certain Circular Welded Carbon Steel Pipes and Tubes from Thailand

The imported products subject to the AD order on certain circular welded carbon steel pipes and tubes from Thailand have been defined by Commerce as:

“. . . certain circular welded carbon steel pipes and tubes, commonly referred to in the industry as ‘standard pipe’ or ‘structural tubing,’ with walls not thinner than 0.065 inches {1.65 mm}, and 0.375 inches {9.53 mm} or more, but not over 16 inches {406.4 mm} in outside diameter. The subject merchandise was classifiable under items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, and 610.3252, 610.3254, 610.3256, 610.3258, 610.4925 of the Tariff Schedules of the United States Annotated . . .; currently, it is classifiable under item numbers 7306.30.1000, 7306.30.5025, 7306.30.5032, and 7306.30.5040, 7306.30.5055, 7306.30.5805 {sic; correct number is 7306.30.5085} and 7306.30.5090 of the Harmonized Tariff Schedule of the United States.”¹⁰

Certain Circular Welded Carbon Steel Pipes and Tubes from India and Turkey

The imported products subject to the AD orders on certain circular welded carbon steel pipes and tubes from India and Turkey have been defined by Commerce as:

“. . . circular welded non-alloy steel pipes and tubes, of circular cross-section, with an outside diameter of 0.372 inches {9.4 mm} or more, but not more than 16 inches {406.4 mm} in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted) or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipe, though they may also be called structural or mechanical tubing in certain applications. Standard pipes and tubes are intended for the low-pressure conveyance of water, steam, natural gas, air and other liquids and gases in plumbing and heating systems, air-conditioner units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing and mechanical applications, such as for fence tubing, and for protections of electrical wiring, such as conduit shells.

The scope is not limited to standard pipe and fence tubing or those types or mechanical and structural pipe that are used in standard pipe applications. All carbon-steel pipes and tubes within the physical description outline above are included in the scope of this order, except for line pipe, oil-country tubular goods, boiler tubing, cold-drawn or cold-rolled mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished rigid conduit. The subject merchandise was classifiable under items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258, and 610.4925 of the Tariff Schedules of the United States Annotated . . .; currently, it is classifiable under item numbers 7306.30.1000,

¹⁰ 64 FR 67852, December 3, 1999. Although the TSUSA and HTS provisions are provided for convenience and customs purposes, the written description remains dispositive. The HTS subheadings within the scope are 7306.30.10 and 7306.30.50.

306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5805 {sic; correct number is 7306.30.5085}, and 7306.30.5090 of the Harmonized Tariff Schedule of the United States.”¹¹

Small Diameter Circular Welded Carbon Steel Pipes and Tubes from Taiwan

The imported products subject to the AD order on certain small diameter circular welded carbon steel pipes and tubes from Taiwan have been defined by Commerce as:

“... welded carbon steel pipes and tubes of circular cross section, from Taiwan (‘steel pipes’), with walls not thinner than 0.065 inch {1.65 mm} and outside diameter 0.375 inch {9.53 mm} or more but not over 4½ inches {114.3 mm}. These products are commonly referred to in the industry as standard pipe and are produced to various American Society of Testing Materials specifications, most notably A-53, A-120, or A-135.

“Standard pipe is currently classified under Harmonized Tariff Schedule of the United States . . . item numbers 7306.30.5025, 7306.30.5032, 7306.30.5040, and 7306.30.5055.”¹²

DOMESTIC LIKE PRODUCT ISSUES

The Subject Product

The imported pipe and tube product subject in these review investigations is described as circular welded carbon steel pipes and tubes, not more than 406.4 millimeters (16 inches) in outside diameter with the exception that the 16-inch diameter pipe from Taiwan is excluded in certain wall thicknesses.¹³ This category includes standard pipe and structural pipe, but excludes line pipe, oil country tubular goods (OCTG), boiler tubing, mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished conduit in various orders. Goods falling in HTS subheadings 7306.30.10 and 7306.30.50 are dutiable at column 1-general rates of 3.2 percent and 0.8 percent *ad valorem*, respectively. Qualifying goods of Mexico can enter at North American Free Trade Agreement (NAFTA) duty rates of 2.4 percent and 0.5 percent *ad valorem*, respectively.

The Domestic Like Product

In separate original determinations in these cases, the Commission found a single like product corresponding to the subject circular welded carbon steel pipes and tubes in each case. In each original investigation, the Commission defined a like product corresponding to the scope, so that each like

¹¹ 64 FR 67879 (India) and 64 FR 67876, 67877 (Turkey), December 3, 1999 (excluding two insignificant typographical inconsistencies). Although the TSUSA and HTS provisions are provided for convenience and customs purposes, the written description remains dispositive.

¹² 64 FR 67873, 67874, December 3, 1999. Although the HTS provisions are provided for convenience and customs purposes, the written description remains dispositive.

¹³ According to the American Society of Mechanical Engineers (ASME)/American National Standards Institute (ANSI) B36.10-1985 and B36.19-1985, the standard size for commonly used standard pipe can have an outside diameter as small as 0.405 inch with a wall thickness as thin as 0.049 inch. Mohinder Nayyar, ed., *1992 Piping Handbook*, 6th ed. (McGraw-Hill, 1992), p. A.49.

product is slightly different, even though all (except for certain small diameter) include largely the same group of products.¹⁴

Physical Characteristics and Uses

In common usage, and generally in the Harmonized Tariff Schedule, the terms “pipes,” “tubes,” and “tubular products” may be used interchangeably. In industry nomenclature, however, a distinction is made between pipes and tubes. Pipes are circular tubular products and are produced in standard sizes that are defined by a nominal diameter and wall thickness¹⁵ and designed to be used with standard pipe fittings. Pipes are normally used as a conduit for liquids or gases. Tubing, on the other hand, may be of any shape, including circular, square, rectangular, and other shapes. The size of tubing is defined by its actual outside diameter (O.D.) (which may be the same as that of a standard size pipe) and its wall thickness.

Pipes and tubes are produced in various grades of carbon steel, alloy steel, and stainless steel and are distinguished by six end uses: standard pipe, line pipe, structural pipe and tubing, mechanical tubing, pressure tubing, and oil country tubular goods (OCTG). The American Iron and Steel Institute (AISI) defines these categories as follows:

STANDARD PIPE is ordinarily used for low-pressure conveyance of air, steam, gas, water, oil, or other fluids for mechanical applications. It is used primarily in machinery, buildings, sprinkler systems, irrigation systems and water wells rather than in pipe lines or utility distribution systems. It may carry fluids at elevated temperatures which are not subject to external heat applications. It is usually produced in standard diameters and wall thicknesses to ASTM . . . specifications.

LINE PIPE is used for transportation of gas, oil, or water generally in a pipeline or utility distribution system. It is produced to API . . . and AWWA (American Water Works Association) specifications.

STRUCTURAL PIPE AND TUBING is welded or seamless pipe and tubing generally used for structural or load-bearing purposes *above ground* by the construction industry, as well as for structural members in ships, trailers, farm equipment and other similar uses. It is produced in nominal wall thicknesses and sizes to ASTM specifications in round, square, rectangular or other cross-sectional shapes.

MECHANICAL TUBING is welded or seamless tubing produced in a large number of shapes of varied chemical composition in sizes 3/16 inch to 10¾ inches O.D. inclusive for carbon and alloy material. It is not normally produced to meet any

¹⁴ For the case involving certain small diameter carbon steel pipes and tubes from Taiwan, the like product is “circular welded carbon steel pipes and tubes with an outside diameter of at least 0.375 inch but not more than 4.5 inches.” That definition corresponds to the subject product in that case. In most cases, the defined like product covers the entire size range up to and including 16 inches in outside diameter and all wall thicknesses. The only exception is that the most recent Taiwan order does not include 16-inch pipe with a wall thickness less than 0.065 inch. Product from Taiwan that was not subject product in the certain small diameter case is, however, subject in a later case, so that all product with an outside diameter up to and including 16 inches is covered within a single like product definition.

¹⁵ The size of pipe is identified by the nominal pipe size (NPS), which is a dimensionless designator that has been substituted for such traditional terms as “nominal diameter.” Pipe in nominal pipe sizes of ½ to 12 is based on a standardized O.D. that was originally selected so that pipe having a wall thickness that was typical of the period would have an inside diameter in inches approximately equal to the nominal size. For pipe in nominal sizes of 14 and larger, the O.D. is equal in inches to the nominal size.

specification other than that required to meet the end use. It is produced to meet exact O.D. and decimal wall thickness.

PRESSURE TUBING is used to convey fluids at elevated temperatures or pressures, or both, and is suitable to be subjected to heat applications. It is produced to exact O.D. and decimal wall thickness in sizes ½ inch to 6 inches O.D. inclusive, usually to specifications such as ASTM.

OIL COUNTRY TUBULAR GOODS are pipe used in wells in oil and gas industries consisting of casing, tubing, and drill pipe.

A. Casing is the structural retainer for the walls of oil or gas wells and covers sizes 4½ to 20 inches O.D. inclusive.

B. Tubing is used within casing oil wells to convey oil to ground level and ordinarily includes sizes 1.050 to 4.500 inches O.D. inclusive.

C. Drill Pipe is used to transmit power to a rotary drilling tool below ground level and covers sizes 2¾ to 6⅝ inches O.D. inclusive.

Oil country goods are produced to API specifications.¹⁶

Standard pipe is the primary product in the circular welded carbon steel pipes and tubes category. Standard pipe, as noted above, is used for the low-pressure conveyance of air, steam, water, gas, oil, or other fluids. Circular pipe used for above ground structural purposes is also included in this category. Fence post, irrigation systems, and sprinkler systems are common applications.

These products are produced primarily to standard ASTM/ASME specifications. They are available either galvanized (zinc-coated by dipping in molten zinc) or black (not galvanized) and with either plain ends, suitable for field welding or threading, or with threaded ends. Pipe with threaded ends is usually provided “threaded and coupled,” that is, a suitable coupling is attached to one end of each length of pipe.

Standard pipe is also used for the production of pipe nipples. A nipple is a piece of pipe 24 inches or less in length; it is normally threaded on both ends but may be threaded on one end. Some manufacturers of standard pipe produce nipples from internally transferred pipe. The internally transferred pipe is the only material used for the manufacture of the nipples. Nipples are not subject product in these cases.¹⁷

Manufacturing Process

Circular welded carbon steel pipes and tubes of the sizes subject in these reviews are manufactured by either the continuous-welding (CW) process or the electric resistance-welding (ERW) process. For either process, the starting material is steel sheet in coil form. The steel sheet is slit to the exact width to be formed into tubular form of the desired diameter.

In the CW method, the slit sheet is heated to welding temperature (approximately 2,600 degrees Fahrenheit) in a gas-fired, continuous furnace. While hot, the sheet is formed into tubular shape by a series of rollers and the edges are butted together under pressure to form the weld, without the addition of filler metal. This method can be used to produce pipes and tubes up to 4.5 inches in diameter. While still hot, the product may be processed through a stretch reduction mill, which simultaneously reduces its

¹⁶ American Iron and Steel Institute. Instructions for Reporting Steel Shipment Statistics. January 1988.

¹⁷ The Commission did not request information from domestic producers regarding the manufacture of pipe nipples from internally consumed pipe. None of 15 identified domestic pipe nipple producers, as listed in *Carbon Steel Pipe Nipples from Mexico*, USITC Pub. 2819, October 1994, are participating in these reviews or were identified by Commission staff as producers or importers of circular welded carbon steel pipes and tubes

diameter and wall thickness. The continuous tube is then cut into predetermined lengths by a flying saw or shear synchronized with the tube's movement so that it is not necessary to stop the process.

In the ERW process, the slit sheet is formed into tubular shape by passing it through a series of rollers while cold. The edges are then heated by electrical resistance¹⁸ and welded by heat and pressure, without the addition of filler metal. The welding pressure causes some of the metal to be squeezed from the joint, forming a bead of metal on the inside and the outside of the tube. This bead, called a welding flash, is usually trimmed from both the outside and the inside surfaces. While still in the continuous processing line, the tube is then subjected to post-weld heat treatment, as required. Such treatment may involve heat treatment of the welded seam only or treatment of the full cross-section of the pipe. After heat treatment, sizing rolls shape the tube to accurate diameter tolerances. The product is cooled and then cut at the end of the tube mill by a flying shear or saw.¹⁹

Finishing operations on standard pipes and tubes may include hydrostatic testing, oiling,²⁰ and galvanizing. End finishing may include square cutting, beveling, threading, or grooving. Threaded pipe may be furnished "threaded and coupled," in which case both ends of each length of pipe are threaded and a standard coupling is applied to one end.

A CW mill cannot produce alternative products such as line pipe or OCTG because of the nature of the process employed and the limited production size range of up to 4.5 inches in diameter. The ERW process can be used to produce virtually all types of welded pipes.

Interchangeability and Customer and User Perceptions

Imported circular welded carbon steel pipes and tubes may be considered to be interchangeable with domestic product for most applications. They are commodity products and must meet common standards regarding materials, dimensions, and testing, established by consensus organizations. Manufacturing processes and technology are similar throughout the world. Section CIRC-II of this report contains additional information with regard to interchangeability.

Channels of Distribution

Circular welded carbon steel pipes and tubes are primarily sold by the producing manufacturers or the importers to warehousing distributors who, in turn, sell to consuming contractors or end users. Additional information on channels of distribution may be found in section CIRC-II of this report.

¹⁸ The heat for welding is generated by resistance of the steel to the flow of electric current. In one process, a low frequency (typically 60 to 360 hertz) is conducted to the strip edges by a pair of copper alloy discs which rotate as the pipe is propelled under them. A second variation uses high frequency current (in the range of 400 to 500 kilohertz) which enters the tubing through shoes which act as sliding contacts. An induction coil can also be used with the high frequency current to induce current in the edges of the steel. No direct contact between the induction coil and the tubing is required. American Iron and Steel Institute, *Steel Products Manual Steel-Specialty Tubular Products*, October 1980, pp. 19–20.

¹⁹ United States Steel, "Manufacture of Steel Tubular Products," in *The Making, Shaping, and Treating of Steel*, 10th ed. (Pittsburgh, PA: Herbeck & Held, 1985), p. 1,029.

²⁰ The oil used is a hardening transparent oil that leaves a lacquer finish. *Id.*, p. 1,062.

U.S. MARKET PARTICIPANTS

U.S. Producers

Twenty-five producers of circular welded carbon steel pipes and tubes responded to the Commission's questionnaire with usable data. Twenty U.S. producers of circular welded carbon steel pipes and tubes participating in these reviews oppose revocation of either all orders in these reviews or those orders on products against which they compete in the U.S. market. *** take no position on these reviews. ***²¹

Of the 25 producers of circular welded carbon steel pipes and tubes listed in table CIRC-I-4, the three largest U.S. producers, ***, account for 42.6 percent of reported circular welded carbon steel pipes and tubes production.

*** circular welded carbon steel pipes and tubes producers responded to the Commission's importers questionnaire. Imports of circular welded carbon steel pipes and tubes from *** were the only subject imports reported in a producers' questionnaire by any circular welded carbon steel pipes and tubes producer.

Grupo Villacero—a Monterey, Mexico-based, family-controlled conglomerate with primary interests in steel—has a corporate ownership relationship with Tuberia Nacional, a Mexican producer of circular welded carbon steel pipes and tubes and respondent in these reviews, and owns 51 percent of Tex-Tube, a U.S. producer of circular welded carbon steel pipes and tubes. California Steel, a producer of circular welded carbon steel pipes and tubes, is *** owned by Kawasaki Steel of Japan. Century Tube, a producer of circular welded carbon steel pipes and tubes, is *** owned by SDI of Singapore. Bull Moose, a producer of circular welded carbon steel pipes and tubes and light-walled rectangular carbon steel pipes and tubes (LWR), is wholly owned by Caparo Industries, headquartered in the United Kingdom. Bull Moose is also related to Bull Moose Tube Ltd. of Canada, an exporter of nonsubject Canadian circular welded carbon steel pipes and tubes and LWR. Maruichi American, a producer of circular welded carbon steel pipes and tubes and LWR, is *** percent owned by two Japanese companies, ***. Laclede Steel, a producer of circular welded carbon steel pipes and tubes, is *** owned by Ivaco of Canada. ISPCO Tubulars, a producer of circular welded carbon steel pipes and tubes and OCTG other than drill pipe, is owned by IPSCO of Canada. Prudential Steel, a producer of circular welded carbon steel pipes and tubes and OCTG other than drill pipe, is indirectly wholly owned by Prudential Steel Ltd. of Canada, a producer of OCTG other than drill pipe and respondent in these reviews.

²¹ ***.

Table CIRC-I-4

Circular welded carbon steel pipes and tubes: U.S. producers, their primary plant locations, and share of reported 1998 production

Firm	Location	Share of reported 1998 production (percent)
Allied Tube & Conduit	Illinois, Texas, Pennsylvania, Arizona	***
American Steel Pipe	Alabama	***
Bull Moose	Missouri	***
California Steel	California	***
Century Tube	Arkansas	***
Ex-L-Tube	Missouri	***
IPSCO Tubulars	Iowa	***
Laclede Steel	Missouri	***
Leavitt Tube	Illinois, Mississippi	***
Lone Star Steel	Texas	***
LTV Tubular	Ohio, Tennessee	***
Maruichi American	California	***
Maverick Tube	Arkansas, Texas	***
Newport Steel	Kentucky	***
Northwest Pipe	Oregon, Texas, Louisiana	***
Parthenon Metal Works	Tennessee, Kentucky, Mississippi	***
Prudential Steel	Washington	***
Sawhill Tubular	Pennsylvania, Ohio	***
Searing Industries	California	***
Sharon Tube	Pennsylvania	***
Stupp	Louisiana	***
Tex-Tube	Texas	***
USX	Pennsylvania, Ohio	***
Western Tube & Conduit	California	***
Wheatland Tube	Pennsylvania, Arkansas	***
1 ***		
Source: Compiled from data submitted in response to Commission questionnaires.		

U.S. Importers

Commission staff confirmed that 97 companies identified as U.S. importers of certain pipe and tube received questionnaires from the Commission. Fifty-two responded that they had not imported certain pipe and tube of any type. Two companies did not respond. Of the 43 firms that responded affirmatively to the questionnaires, 40 companies submitted usable data. Of these 40 importers, 30 are located in Texas, New York, and California; 4 importers gave business addresses located outside the United States. Twenty-six of 40 importers (65 percent) reported imports of circular welded carbon steel pipes and tubes.

Nineteen importers imported circular welded carbon steel pipes and tubes exclusively. Only *** imported three products, including circular welded carbon steel pipes and tubes.

*** reported imports of circular welded carbon steel pipe and tubes from the country of their foreign producer corporate parent. One importer related to a foreign producer in ***, ***, reported imports of circular welded carbon steel pipes and tubes from Taiwan. One importer, ***, is wholly owned by *** and reported imports of circular welded carbon steel pipes and tubes from Turkey.

In 1998, there were no reported imports of circular welded carbon steel pipes and tubes from Brazil. Reported imports of circular welded carbon steel pipes and tubes from the other subject countries in 1998 as a share of total imports from these countries, as reflected in official Commerce statistics, are presented in the tabulation below.

Country	1998 reported imports as a share of total imports (percent)
India	31.7
Korea	64.2
Mexico	27.8 ²²
Taiwan	81.7
Thailand	49.2
Turkey	60.8 ²³
Venezuela	99.6

U.S. Purchasers

The Commission received 37 questionnaires with usable data from U.S. purchasers of certain pipe and tube. The majority of purchasers are located in Texas, California, Florida, and Missouri.

Twenty-eight purchasers reported purchases of circular welded carbon steel pipes and tubes. Seventeen purchasers reported purchases of circular welded carbon steel pipes and tubes exclusively, while 11 purchasers reported that they also purchased LWR and/or OCTG. Sixteen of these 28 purchasers of circular welded carbon steel pipes and tubes reported that they bought both U.S. and foreign, most notably Korean, product; six reported purchases from U.S. producers only.

²² Several importers believed to be importing Mexican circular welded carbon steel pipes and tubes, including ***, refused to respond to the Commission's questionnaire after repeated staff requests.

²³ Based on reported imports for the first 9 months of 1999 as a share of total imports.

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Apparent U.S. consumption of circular welded carbon steel pipes and tubes rose by 6.5 percent from 1997 to 1998, while U.S. producers' shipments rose by 2.0 percent during the same period. During the 1999 interim period, apparent U.S. consumption was 4.9 percent lower and U.S. producers' shipments were 4.1 percent lower than during the same period in 1998 (table CIRC-I-5). Market shares are presented in table CIRC-I-6.

Table CIRC-I-5

Circular welded carbon steel pipes and tubes: U.S. shipments of domestic product; U.S. imports, by sources; and apparent U.S. consumption, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
	Quantity (short tons)			
U.S. producers' shipments	2,143,869	2,186,361	1,686,227	1,617,732
U.S. imports from—				
Brazil	69	45	38	45
India	10,095	12,137	11,190	7,429
Korea	173,579	174,929	120,983	129,806
Mexico	3,407	16,282	12,501	19,875
Taiwan	23,027	41,007	33,980	30,792
Thailand	62,328	28,049	28,049	35,251
Turkey	2,674	7,396	2,469	12,970
Venezuela	110	3,327	3,327	0
All subject countries	275,288	283,174	212,537	236,170
Other sources	393,202	526,937	405,855	337,316
Total imports	668,490	810,111	618,392	573,486
Apparent consumption	2,812,359	2,996,472	2,304,619	2,191,218
Value (\$1,000)				
U.S. producers' shipments	1,308,335	1,296,421	1,010,943	909,094
U.S. imports from—				
Brazil	139	82	70	72
India	5,367	6,211	5,686	3,097
Korea	80,284	79,702	56,583	52,656
Mexico	1,957	8,262	6,360	9,712
Taiwan	10,861	18,144	15,306	11,353

Table continued on next page.

CIRC-I-23

Table CIRC-I-5—Continued

Circular welded carbon steel pipes and tubes: U.S. shipments of domestic product; U.S. imports, by sources; and apparent U.S. consumption, 1997–98, January–September 1998, and January–September 1999

Item	Calendar year		January–September	
	1997	1998	1998	1999
	Value (\$1,000)			
U.S. imports from—(Continued)				
Thailand	30,740	13,996	13,996	14,898
Turkey	1,225	3,334	1,163	4,920
Venezuela	66	1,660	1,660	0
All subject countries	130,641	131,391	100,824	96,707
Other sources	239,456	299,612	232,489	187,489
Total imports	370,097	431,002	333,313	284,196
Apparent consumption	1,678,432	1,727,424	1,344,256	1,193,290
<p>Note—Because of rounding, figures may not add to the totals shown. Commission staff adjusted “other sources” imports in 1997 and 1998 and in the interim periods in 1998 and 1999 by an amount equal to imports alleged to be Canadian mechanical tubing for automotive applications, as determined from U.S. Customs Service information. See p. CIRC-IV-I, fn. 1, for more information.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and official U.S. Department of Commerce statistics, except as noted.</p>				

Table CIRC-I-6

Circular welded carbon steel pipes and tubes: Apparent U.S. consumption and market shares, 1997–98, January–September 1998, and January–September 1999

Item	Calendar year		January–September	
	1997	1998	1998	1999
	Quantity (short tons)			
Apparent consumption	2,812,359	2,996,472	2,304,619	2,191,218
	Value (\$1,000)			
Apparent consumption	1,678,432	1,727,424	1,344,256	1,193,290
	Share of quantity (percent)			
U.S. producers' shipments	76.2	73.0	73.2	73.8
U.S. imports from—				
Brazil	(¹)	(¹)	(¹)	(¹)
India	0.4	0.4	0.5	0.3
Korea	6.2	5.8	5.2	5.9

Table continued on next page

Table CIRC-I-6—Continued

Circular welded carbon steel pipes and tubes: Apparent U.S. consumption and market shares, 1997–98, January–September 1998, and January–September 1999

Item	Calendar year		January–September	
	1997	1998	1998	1999
	Share of quantity (<i>percent</i>)			
U.S. imports from—(Continued)				
Mexico	0.1	0.5	0.5	0.9
Taiwan	0.8	1.4	1.5	1.4
Thailand	2.2	0.9	1.2	1.6
Turkey	0.1	0.2	0.1	0.6
Venezuela	(¹)	0.1	0.1	0.0
All subject countries	9.8	9.5	9.2	10.8
Other sources	14.0	17.6	17.6	15.4
Total import shipments	23.8	27.0	26.8	26.2
	Share of value (<i>percent</i>)			
U.S. producers' shipments	77.9	75.0	75.2	76.2
U.S. imports from—				
Brazil	(¹)	(¹)	(¹)	(¹)
India	0.3	0.4	0.4	0.3
Korea	4.8	4.6	4.2	4.4
Mexico	0.1	0.5	0.5	0.8
Taiwan	0.6	1.1	1.1	1.0
Thailand	1.8	0.8	1.0	1.2
Turkey	0.1	0.2	0.1	0.4
Venezuela	(¹)	0.1	0.1	0.0
All subject countries	7.8	7.6	7.5	8.1
Other sources	14.3	17.3	17.3	15.7
Total import shipments	22.1	25.0	24.8	23.8
¹ Less than 0.05 percent.				
Note—Because of rounding, figures may not add to the totals shown.				
Source: Compiled from data submitted in response to Commission questionnaires and official U.S. Department of Commerce statistics, as revised by Commission staff.				

CIRC-II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

INTRODUCTION

Hot-rolled steel used as raw material accounts for the largest share of cost in the production of circular welded carbon steel pipes and tubes. A majority of responding domestic producers of these products report that the costs of production, and selling prices, are directly tied to the price of steel. Several of these producers note that selling prices for pipes and tubes lag behind changes in steel prices. Three responding domestic producers report that the cost of steel has no impact on selling prices, and one reports that raw materials have little impact on selling prices for pipes and tubes. Most responding domestic producers and purchasers of circular welded carbon steel pipes and tubes report that demand is relatively constant, or that demand moves with trends in construction and the overall economy.

U.S. MARKET SEGMENTS, CHANNELS OF DISTRIBUTION, AND MARKET STRUCTURE

The majority of circular welded carbon steel pipes and tubes is sold by domestic producers or importers to distributors which stock the product and resell to other distributors, retailers, and end users. A relatively small volume of circular welded carbon steel pipes and tubes is consumed by *** in the manufacture of products such as pipe nipples. This internal consumption accounted for *** percent of all U.S. shipments by responding domestic producers in interim 1999. Another domestic producer reported internal shipments of subject pipe to a subsidiary, for distribution. In interim 1999, internal shipments of circular welded carbon steel pipes and tubes accounted for 15.9 percent of all shipments.

Shipments to U.S. distributors by domestic producers in interim 1999 accounted for 72.5 percent of total U.S. commercial shipments on a quantity basis.¹ Shipments to end users accounted for 24.7 percent of all commercial shipments, and shipments to threaders and other processors accounted for 2.7 percent. Shipments to other types of customers accounted for 0.1 percent (see table CIRC-II-1).

Most U.S. shipments of circular welded carbon steel pipes and tubes by responding importers are to distributors, rather than end users. Shipments to distributors accounted for 100 percent of shipments by responding importers of subject product from India, Thailand, Turkey, and Venezuela in 1997, 1998, and interim 1999.² Importers of circular welded carbon steel pipes and tubes from Korea and Mexico sell predominantly but not exclusively to distributors. In interim 1999, sales to distributors accounted for 93.9 percent of imports from Korea, *** percent of imports from Mexico, and 99.9 percent of imports from Taiwan. The balance of shipments were to end users.

Eleven responding domestic producers of circular welded carbon steel pipes and tubes report that the geographic area served includes all 48 contiguous states (some also report sales in Alaska), five indicate that the primary market area is the West Coast, four producers indicate that their primary market area is the East Coast, and one serves primarily the Gulf Coast. Importers primarily serve the Gulf and West Coasts. Only four reported serving the entire U.S. market, and 13 of 21 responding importers of circular welded carbon steel pipes and tubes report that at least 90 percent of sales are within 100 miles of the warehouse or port of entry.

¹ Some responding domestic producers apparently included exports when reporting channels of distribution.

² There were no reported imports of subject product from Brazil.

Table CIRC-II-1

Circular welded carbon steel pipes and tubes: Shares of domestic producers' U.S. shipments, by customer types, 1997-98, January-September 1998, and January-September 1999

Period	Distributors	End users	Threaders/processors	Other
1997	68.2%	27.2%	4.5%	0.1%
1998	69.0%	27.4%	3.5%	0.1%
January-September 1998	67.9%	28.6%	3.4%	0.1%
January-September 1999	72.5%	24.7%	2.7%	0.1%

Source: Compiled from responses to Commission questionnaires.

U.S. SUPPLY

Domestic Production

Most responding domestic producers of circular welded carbon steel pipes and tubes have the ability to produce other products on the same equipment. Alternate products include line pipe, rectangular tubes, oil country tubular goods (OCTG), mechanical tubing, and conduit. Producers allocate production to meet market conditions.³ Of 25 firms reporting production of domestic circular welded carbon steel pipes and tubes in 1998, the largest accounted for *** percent of total reported production, and the largest three accounted for 42.6 percent.

Two of the three largest firms ***. Producers employing the continuous-welding (CW) process have little ability to produce alternate products. ***, a domestic producer of circular welded carbon steel pipes and tubes, employs the CW process exclusively to produce ASTM A-53 pipe and rigid conduit shells (subject products) up to ***. Because of the process employed and the limited size range, it is unable to produce alternative products such as line pipe or OCTG. Producers using the CW process are therefore limited in the ability to alter product mix in response to changes in market prices.

Domestic producers of circular welded carbon steel pipes and tubes report a very small share of sales in export markets and little ability to increase export sales. Domestic capacity for the production of circular welded carbon steel pipes and tubes increased slightly from calendar 1997 to 1998 and was higher in interim 1999 than in interim 1998. Capacity utilization fell from 1997 to 1998 and was lower in interim 1999 than interim 1998. End of period inventories decreased slightly from 1997 to 1998 and were less in interim 1999 than in interim 1998, both in absolute terms and as a share of shipments.⁴

Subject Imports

Most domestic producers of circular welded carbon steel pipes and tubes report that importers have been price leaders in the U.S. market, though most did not mention specific firms. Importers of

³ One producer noted that they have a fixed production schedule and do not alter the product mix.

⁴ Domestic producer *** noted that as recently as 1998, 90 percent of its sales were made from stock. In 1999 more emphasis was placed on selling from production. Sales from stock in interim 1999 fell to 77 percent of total sales. Telephone conversation with ***, January 1, 2000.

pipes and tubes from Korea (seven instances), Mexico (two instances), and Taiwan (two instances) were most often reported to be price leaders.

Most responding foreign producers of circular welded carbon steel pipes and tubes report using the electric resistance-welding (ERW) process, or the ERW process plus other weld methods for larger diameter pipe. *** reported using the CW process to produce circular welded carbon steel pipes and tubes.

Inasmuch as limited responses to the foreign producer questionnaire have been received for certain countries, some public data are presented in this report. Appendix G details public capacity data for subject countries. United Nations (UN) export data are presented in appendix H. UN data include exports of all circular welded carbon steel pipe and tube products classified under HTS 7306.30, which includes subject pipes and tubes, plus boiler tube and mechanical tubing, but excludes line pipe.

Brazil

No responses were received from producers of circular welded carbon steel pipes and tubes in Brazil. According to public sources, Brazilian producers of welded carbon steel pipes and tubes have the capacity to produce approximately 1.2 million short tons of pipes and tubes of size 16 inches in diameter and smaller annually. The 1998 *Steel Statistical Yearbook* reports that overall production of tubular steel products in Brazil increased 84 percent between 1991 and 1996 (from 566,000 short tons in 1991 to 1,041,000 short tons in 1996).⁵

UN data indicate that Argentina, Bolivia, Paraguay, and Uruguay were the largest export markets for circular welded carbon steel pipes and tubes from Brazil in 1998, with total shipments of 6,954 tons (may include nonsubject product). Based on the limited available information, Brazilian producers and exporters have the ability to respond with shipments of subject pipe to the U.S. market in response to price changes.

India

Indian producer Tata reports that circular welded carbon steel pipe accounts for *** percent of its production of pipes and tubes. Capacity to produce circular welded carbon steel pipes and tubes has not changed since 1997. Capacity utilization increased from *** percent in calendar 1997 to *** percent in interim 1999. Inventories increased from 1997 to 1998, and were higher in interim 1999 than interim 1998. Tata reports that circular welded carbon steel pipes and tubes sold in the Indian home market are *** with those exported to the U.S. or other markets. Tata reports that ***.

According to public sources and questionnaire data, the capacity of Indian producers to produce welded carbon steel pipes and tubes of size 16 inches and smaller is approximately *** short tons annually. In its response to the Commission's foreign producer questionnaire, Tata reported that annual production of circular welded carbon steel pipes and tubes in India is approximately *** tons and that capacity to produce subject pipes and tubes in India is approximately *** tons per year.

UN data indicate limited exports of circular welded carbon steel pipes and tubes from India in 1997; no data were reported in 1998. Because the majority of its circular welded carbon steel pipes and tubes are produced using the CW process, Tata has limited ability to shift production to alternate products. Tata is the only Indian producer of welded carbon steel pipes and tubes known to use the CW

⁵ *Steel Statistical Yearbook*, 1998, table C-20, Production of Welded Tubes. International Iron and Steel Institute, Committee on Economic Studies, Brussels, December 1998.

process. Based on the available information, Indian producers and exporters have the ability to respond to price changes with increased shipments to the U.S. market.

Korea

All responding Korean producers of circular welded carbon steel pipes and tubes report that such product accounts for less than half of total production. Alternate products reportedly produced on the same equipment include line pipe, cylinders, OCTG, and mechanical tubing. One Korean producer, ***, reports no production of alternate products and notes that it cannot produce any alternate products using the equipment used to produce subject pipes and tubes. Production of circular welded carbon steel pipes and tubes accounts for *** percent of total production by this firm. *** report that pipes and tubes sold in the Korean home market is not interchangeable with pipes and tubes exported to the U.S. and other markets because of differences in specifications and dimensions. Three responding Korean producers report that pipes and tubes sold in the Korean home market are interchangeable with that exported to the U.S. and other markets. *** report that no alternative export markets have been developed as a result of the antidumping duty (AD) order. UN data indicate that the U.S. market remains the largest export market for Korean circular welded carbon steel pipes and tubes (may include nonsubject product).

The reported capacity of Korean producers of circular welded carbon steel pipes and tubes declined in calendar year 1998 and was slightly lower in interim 1999 than in interim 1998. Capacity utilization declined from *** percent in 1997 to *** percent in 1998 but was slightly higher in interim 1999 than in interim 1998. Inventories fell from 1997 to 1998 and were lower in interim 1999 than in interim 1998. According to public sources and questionnaire data, the capacity of Korean producers to produce welded carbon steel pipes and tubes of size 16 inches and smaller is approximately *** short tons annually (***) .

One of the closest substitutes for subject pipes and tubes, both in use and in production, is welded line pipe. Imported line pipe is not subject to the antidumping duties on subject pipes and tubes. Responding Korean producers have indicated that much of the welded line pipe produced in Korea and exported to the U.S. market is sold to standard pipe customers for standard pipe applications.⁶ Korean manufacturers' posthearing brief estimates that 80 percent of welded dual stenciled line pipe sold in the East Coast and West Coast markets, and 50 percent of that sold in the Gulf Coast market, is actually used in standard pipe applications. This amount is approximately *** percent of dual stenciled line pipe and *** percent of all Korean welded line pipe sold in the U.S. market. Production of line pipe by responding Korean producers increased from 1997 to 1998, but was lower in interim 1999 than in interim 1998.⁷

Official statistics indicate that approximately 158,000 tons of line pipe were imported from Korea in 1998 and 114,600 tons in the first 9 months of 1999. If *** percent of this pipe was used in standard pipe applications, approximately *** tons of line pipe imported from Korea in 1998 and *** tons imported in interim 1999 was used for standard pipe applications. The remainder was for use as line pipe.

⁶ Mr. McFarland of State Pipe, a purchaser of dual-stenciled line pipe from Korea, hearing transcript, p. 204, and Mr. Cameron, counsel for Korean producers of circular welded carbon steel pipes and tubes, hearing transcript, p. 232.

⁷ Data on capacity and production of alternate tubular products including line pipe were requested from responding foreign producers in a supplemental questionnaire. Data is presented by country in appendix J.

The relief provided domestic line pipe producers under Section 201 is expected to sharply curtail imports of line pipe from Korea, including dual stenciled line pipe. Korean manufacturers have repeatedly noted that, for line pipe used in standard pipe applications, this will be a change in statistical reporting only, and that the volume of dual stenciled line pipe currently sold for standard pipe applications will simply be sold as standard (subject) pipe.

Korean manufacturers estimate the difference in production costs to produce dual stenciled welded line pipe rather than standard pipe is only 1–2 percent (\$5–\$10 per ton).⁸ Domestic producers of subject pipe estimate the cost difference at \$25–\$30 per ton.⁹ Following the imposition of the Section 201 remedies on line pipe, Korean manufacturers are expected to produce and export subject pipe for many of the same applications now served by dual stenciled line pipe.

The production capacity currently employed in the production of welded line pipe for export to the U.S. market which is used in line pipe applications (***) would be available to produce other tubular products including subject pipes and tubes. Based on the available information, Korean producers of subject pipes and tubes would be able to respond to price changes with increased shipments to the U.S. market.

Mexico

The two responding Mexican producers of circular welded carbon steel pipes and tubes, TUNA and Hylsa, report that production of circular welded carbon steel pipes and tubes accounts for *** and *** percent of pipe and tube production, respectively. Both report that *** are produced using the same equipment. TUNA also produces ***, and Hylsa also produces ***. *** report that pipe sold in the Mexican home market is interchangeable with that exported to the U.S. and other markets. *** report that alternate export markets have been developed as a result of the AD order on exports to the United States. Alternate markets which have been developed or in which sales have increased due to the AD order include ***. Responding Mexican producers report that *** percent of 1998 shipments of subject pipes and tubes were to export markets other than the United States.

UN data indicate that the U.S. market was the largest export market for Mexican producers of circular welded carbon steel pipes and tubes (may include nonsubject product) in 1998, accounting for 79.4 percent of all exports. The reported capacity and capacity utilization of Mexican producers of circular welded carbon steel pipes and tubes declined over the period for which data were collected, and inventory levels, which increased from 1997 to 1998, were lower in interim 1999 than in interim 1998. Responding producers reported that capacity utilization was *** percent in 1998. Publicly available and questionnaire data indicate that Mexican producers have the capacity to produce *** tons of welded carbon steel pipes and tubes of size 16 inches and smaller annually.

Annual imports of welded line pipe from Mexico have increased from 15,645 tons in 1991 to 48,166 tons in 1998.¹⁰ Hylsa is the largest producer of welded tubular products in Mexico, accounting for approximately 50 percent of all production.¹¹ *** higher grade X-42 and X-52 pipe, triple stenciled to meet these higher specifications as well as ASTM A53 grade B and API 5L grade B. Dual stenciled line pipe, certified to meet the requirements of API grade A (the lowest tensile and yield strength

⁸ Korean respondents' posthearing brief, exh. 1 p. 25 and exh. 3 p. 2.

⁹ Schagrin Associates posthearing brief, p. A-12 and exh. 3.

¹⁰ Official statistics on imports of pipe classified under HTS 7306.10.1010 and 7306.10.1050.

¹¹ Testimony of Mr. Trevino, hearing transcript, p. 215.

requirements) accounted for ***.¹² Dual stenciled line pipe is a closer substitute for subject pipe than is triple stenciled pipe with more stringent specifications.

As previously mentioned, domestic producers estimate the cost difference between standard and dual stenciled pipe at \$25 to \$30 per ton. Responding Mexican producer Hylsa estimated the difference in raw material cost at *** per ton.¹³ Hylsa also indicates that *** is produced on different equipment than line pipe. If the AD order on subject pipes and tubes from Mexico were revoked, Mexican producers could produce and export subject pipe for some of the applications now served by dual stenciled line pipe, at some cost savings. Imports of line pipe from Mexico are not subject to the Section 201 restrictions on imported line pipe. Production capacity allocated to line pipe for line pipe applications is expected to increase, decreasing the capacity available for the production of subject pipes and tubes. Based on available information, Mexican producers of subject pipes and tubes have limited ability to alter shipments to the U.S. market in response to price changes.

Taiwan

No response was received from producers of subject pipes and tubes in Taiwan. There are 10 firms in Taiwan with the capability to produce welded carbon steel pipes and tubes of size 16 inches and smaller. Capacity for the five firms with listed capacity is 807,000 tons per year. The 1998 *Steel Statistical Yearbook* reports that total production of welded tubular products in Taiwan in 1997 was 1.18 million tons. A cable received from the American Institute in Taiwan noted that overcapacity is the major problem with the pipe and tube industry in Taiwan.¹⁴ U.S. imports of circular welded carbon steel pipes and tubes from Taiwan in 1998 and interim 1999 were 41,007 tons and 30,792 tons, respectively. Based on the limited information available, producers and exporters of subject pipes and tubes in Taiwan have the ability to alter shipments to the U.S. market in response to price changes.

Thailand

No response was received from producers of subject pipes and tubes in Thailand. According to public sources, mills in Thailand have the capacity to produce 909,000 tons per year of welded carbon steel pipes and tubes of size 16 inches and smaller. The 1998 *Steel Statistical Yearbook* reports that production of welded pipes and tubes in Thailand in 1997 was 1.17 million tons. Official statistics indicate that, in 1998 and the first nine months of 1999, U.S. imports of circular welded carbon steel pipes and tubes from Thailand were 28,049 and 35,251 tons, respectively. UN data indicate that the United States was the largest export market for Thai exporters of circular welded carbon steel pipes and tubes in 1997 and accounted for 30.6 percent of all such exports (may include nonsubject product). Based on the limited data available, Thai producers and exporters of subject pipes and tubes have the ability to alter shipments of subject pipes and tubes to the U.S. market in response to price changes.

¹² *** response to Commission foreign producer questionnaire addendum.

¹³ Hylsa posthearing brief, p. 1.22.

¹⁴ Response received in April 2000 from the American Institute in Taiwan in response to a staff request for data on pipe and tube production in Taiwan.

Turkey

The responding producer of circular welded carbon steel pipes and tubes in Turkey reports the production of *** on the same equipment used to produce subject pipes and tubes. Pipes and tubes produced for the Turkish home market is reported to be *** with that produced for export to the U.S. and other markets. Capacity to produce circular welded carbon steel pipes and tubes reported by the responding producer in Turkey was lower in interim 1999 compared with interim 1998. Capacity utilization, which *** during 1997–98, was higher at *** percent in interim 1999 compared to *** percent in interim 1998. Inventory levels decreased from 1997 to 1998, but were up *** in interim 1999 compared with interim 1998. Inventory levels in September 1999 were higher than in January 1997. According to public sources and questionnaire data, mills in Turkey have the capacity to produce approximately *** short tons of welded carbon steel pipes and tubes of size 16 inches and smaller annually.

Exports to *** have reportedly increased since the date of the countervailing duty and AD orders ***. The responding producer of pipes and tubes in Turkey reports that exports to markets other than the United States accounted for *** percent of total shipments in 1998. UN data indicate that the leading export markets for Turkish producers of circular welded carbon steel pipes and tubes in 1998 were the United Kingdom, Germany, Algeria, Italy, and Belgium (may include nonsubject product). Based on existing information, Turkish producers of subject pipes and tubes have the ability to respond to price changes with increased shipments to the U.S. market.

Venezuela

Circular welded carbon steel pipes and tubes account for *** percent of total production by Conduven, the sole responding producer of subject pipes and tubes in Venezuela.¹⁵ Alternate products produced on the same equipment ***. Pipe sold in the Venezuelan home market was reported to ***. Conduven's reported capacity, production, capacity utilization, and inventory levels all increased between 1997 and 1998, and were lower in interim 1999 than in interim 1998. Conduven's capacity utilization in interim 1999 was *** percent, with *** tons of unused annualized capacity.¹⁶ According to public sources and questionnaire data, mills in Venezuela have the capacity to produce *** tons of welded carbon steel pipes and tubes of size 16 inches and smaller annually.

Alternate export markets that were developed or in which exports increased as a result of the AD order on exports to the United States include ***. UN data indicate that Spain, Columbia, Brazil, Trinidad and Tobago, and Cuba were Venezuela's largest export markets for circular welded carbon steel pipes and tubes in 1996–97 (may include nonsubject product). In 1998, a reported *** percent of Conduven's sales were in the home market and *** percent of sales were to alternate export markets. There were *** reported exports to the United States. Based on the available information, Venezuelan producers of subject pipes and tubes have the ability to respond to a change in prices with increased shipments to the U.S. market.

¹⁵ In its reply to the Commission's foreign producer questionnaire, Conduven estimated that its production of subject pipes and tubes accounted for approximately *** percent of the production of subject pipes and tubes in Venezuela. According to data contained in *Pipe and Tube Mills of the World*, Conduven accounts for approximately 40 percent of the total capacity to produce welded tubular products (other than spiral or submerged arc welded) in Venezuela.

¹⁶ Unused capacity for the first 9 months of 1999 multiplied by 1.333.

Nonsubject Imports

One domestic producer reported that importers of circular welded carbon steel pipes and tubes produced in Italy and Japan had been price leaders in the U.S. market. One purchaser of circular welded carbon steel pipes and tubes reported that importers of pipes and tubes from China had been price leaders in the U.S. market. Responding U.S. purchasers reported that circular welded carbon steel pipes and tubes produced in nonsubject countries accounted for 1.5 and 2.3 percent of their total purchases in 1997 and 1998, respectively (1.3 and 2.1 percent on a volume basis).¹⁷

Imports from subject countries accounted for 41 percent of all imports of circular welded carbon steel pipes and tubes in 1997, and 35 percent in 1998, on a volume basis. The single largest source of imported circular welded carbon steel pipes and tubes in both years was Canada, a nonsubject country.¹⁸

From 1992 (the year antidumping duties were imposed on subject pipe from Brazil, Korea, Mexico, Taiwan, and Venezuela) to 1993, unadjusted imports from countries not subject to these reviews increased 34.8 percent. In 1994, imports from nonsubject countries increased a further 48.8 percent. Overall, between 1991 and 1998, annual U.S. imports of circular welded carbon steel pipes and tubes from countries subject to this review fell by 43.1 percent (about 215,000 tons), and U.S. imports from other countries increased by 176.3 percent (about 353,000 tons). The U.S. market share of all eight currently subject countries¹⁹ combined has fallen from 26.5 percent of U.S. apparent consumption in 1991 to 9.5 percent in 1998,²⁰ while the market share for imports from other sources has increased from 10.4 percent to 17.6 percent of apparent consumption over the same period.²¹

U.S. DEMAND

Domestic producers, importers, and purchasers generally report that circular welded carbon steel pipes and tubes are used for the conveyance of water, air, steam and other fluids, and in some structural applications. Structural applications include fences, and the manufacture of agricultural equipment, scaffolding, and other light fabrication, such as exercise equipment. The majority of responding purchasers were distributors, and were able to supply only limited information on the share of the cost of final goods accounted for by circular welded carbon steel pipes and tubes. This limited information suggests that circular welded carbon steel pipes and tubes account for 30 to 40 percent of the cost of chain link fencing, 25 percent of the cost of fabrication of a structure like a barn, but only a very small share of the overall cost of fabricated equipment or of construction.

¹⁷ Purchasers were selected by asking domestic producers and importers for their largest purchasers of subject pipes and tubes. Purchase patterns may not be representative of all domestic purchasers of subject pipes and tubes.

¹⁸ Counsel for domestic producers noted that official statistics on imports from Canada are overstated because they include nonsubject mechanical tubing.

¹⁹ India, Thailand, and Turkey were not subject sources during the 1989–91 investigative period. The remaining five subject countries accounted for 25.1 percent of apparent consumption in 1991, while nonsubject sources (including India, Thailand, and Turkey, and certain small diameter from Taiwan) accounted for 11.8 percent.

²⁰ See tables D-1 and CIRC-I-1. As previously noted, official import statistics for 1997–99 have been adjusted in table CIRC-I-1 to remove certain mechanical tubes from Canada.

²¹ Annual imports from nonsubject countries other than Canada increased 248,000 tons from 1991 to 1998, or by 214.0 percent. In 1991, imports from nonsubject countries except Canada accounted for approximately 5.5 percent of apparent U.S. consumption. In 1998 such imports accounted for 13.3 percent of apparent U.S. consumption.

Substitutes for circular welded carbon steel pipes and tubes include other steel pipe products such as line pipe; cast iron and plastic pipe in plumbing applications; and other carbon steel shapes (hollow structural sections, H-beams, etc.) in fence and structural fabrication.

Most responding producers and purchasers of circular welded carbon steel pipes and tubes report that sales are consistent throughout the year. Six of 22 reporting purchasers report that purchases are lower in the winter, and one reports that purchases are higher in the winter.

Domestic producers, importers, and purchasers generally report that demand for circular welded carbon steel pipes and tubes is dependent on the overall level of construction.²² The Bureau of the Census publishes estimates of total annual spending on construction and on residential buildings and nonresidential buildings. Total new construction spending is estimated to have been approximately 4.7 percent greater in 1998 than in 1997 (table CIRC-II-2; see appendix K for data on construction spending, 1984–98).

Table CIRC-II-2
Annual value of new construction in the United States, 1997–98

Construction category	1997	1998	Period change
	(\$ million)		(Percent)
Residential buildings	221,756	239,201	7.9
Nonresidential buildings	141,129	148,017	4.9
Total (includes construction other than buildings)	520,123	544,729	4.7

Source: Bureau of the Census, located at www.census.gov/pub/const/C30.

SUBSTITUTABILITY ISSUES

Purchasers of circular welded carbon steel pipes and tubes were asked to report the three most important factors in deciding from whom to purchase the subject product. Quality of the product and price are the factors ranked by purchasers as most important in making a purchase decision. Quality is ranked as most important by 13 responding purchasers, and price is ranked as most important by 10 purchasers. Availability is the factor ranked as second most important by the greatest number of responding purchasers. Purchaser responses are summarized in table CIRC-II-3.

Reported purchases by responding purchasers accounted for 24.0 percent of domestic producers' 1998 U.S. shipments on a volume basis, and for 33.1, 16.5, 31.6, and 23.1 percent of 1998 imports from Korea, Mexico, Taiwan, and Thailand, respectively. Responding purchasers accounted for a smaller share of imports from Brazil (5.7 percent) and India (5.5 percent). Reported purchases of circular welded carbon steel pipes and tubes from Turkey exceeded the officially reported volume of imports. There were no reported purchases of subject product from Venezuela.

²² Mr. Magno, of the John Maneely Company, and Mr. Shagrin, counsel for several domestic producers of carbon steel pipes and tubes, testified that demand for circular welded carbon steel pipes and tubes is dependent on the level of nonresidential commercial construction. Mr. McFarland of State Pipe testified that demand for circular welded carbon steel pipes and tubes is dependent on nonresidential commercial construction, general construction, manufacturing, and residential construction (hearing transcript, pp. 59, 88, and 206).

Table CIRC-II-3**Circular welded carbon steel pipes and tubes: Ranking of factors in purchase decisions**

Factor	Most important	Second most important	Third most important
	Number of firms reporting		
Quality	13	4	7
Price	10	6	6
Availability	1	13	5
Delivery	2	0	2
Other	0	3	6

Source: Compiled from responses to Commission questionnaires.

Purchasers were additionally asked to report the importance of each of 14 factors in deciding from whom to purchase circular welded carbon steel pipes and tubes. Factors were rated as very important, somewhat important, or not important. The results are reported, by country, in table CIRC-II-4.

Product consistency, quality, and reliability of supply are the three factors reported to be among those of greatest importance to purchasers of circular welded carbon steel pipes and tubes from domestic producers, and from India, Korea, Mexico, and Thailand. Availability is as important as product consistency, quality, and reliability of supply in purchases of domestic pipes and tubes, and price and availability are as important as product consistency, quality, and reliability of supply in deciding to purchase pipes and tubes from India. Price is the most important factor reported for Taiwan pipe, followed by product quality and consistency. Reliability of supply is the most important factor in the decision to purchase pipes and tubes from Turkey and nonsubject countries, and price is as important as product consistency and quality. Minimum quantity requirements is regarded as the least important factor for responding purchasers.

Table CIRC-II-4**Circular welded carbon steel pipes and tubes: Importance of factors in making a purchase decision¹**

Factor	United States	India	Korea	Mexico	Taiwan
Availability	2.9	3.0	2.3	2.6	2.0
Delivery terms	2.2	2.0	2.2	2.4	2.3
Delivery time	2.8	2.0	2.5	2.6	2.3
Discounts offered	2.4	1.0	2.1	2.6	1.7
Lower price	2.5	3.0	2.6	2.4	3.0
Minimum qty requirements	1.7	1.0	1.8	2.2	1.3
Packaging	2.1	2.0	2.4	2.6	2.3
Product consistency	2.9	3.0	2.9	2.8	2.7
Product quality	2.9	3.0	2.9	3.0	2.7
Product range	2.5	1.0	2.4	2.4	2.3
Reliability of supply	2.9	3.0	2.8	3.0	2.3
Technical support/service	2.5	2.0	2.1	2.6	2.0
Transportation network	2.3	1.0	1.9	2.6	1.7

Table continued on next page.

Table CIRC-II-4--Continued

Certain circular welded pipes and tubes: Importance of factors in making a purchase decision¹

Factor	United States	Thailand	Turkey	Nonsubject countries
U.S. transportation costs	2.5	1.0	2.1	2.6
Availability	2.9	2.0	2.0	2.3
Delivery terms	2.2	2.0	2.0	2.0
Delivery time	2.8	2.3	2.3	2.0
Discounts offered	2.4	1.3	1.8	1.3
Lower price	2.5	2.7	2.8	2.7
Minimum qty requirements	1.7	1.3	1.3	1.3
Packaging	2.1	2.0	2.3	2.0
Product consistency	2.9	2.7	2.8	2.7
Product quality	2.9	2.7	2.8	2.7
Product range	2.5	1.7	2.0	1.3
Reliability of supply	2.9	3.0	3.0	3.0
Technical support/service	2.5	1.7	2.3	1.7
Transportation network	2.3	1.3	1.5	1.3
U.S. transportation costs	2.5	1.3	1.8	1.3

¹ The numbers in the table represent the average ranking of each factor by responding purchasers, on a scale of 1 to 3 where 1=not important, 2=somewhat important, and 3=very important.

Source: Compiled from responses to Commission questionnaires.

Purchasers also compared pipes and tubes from each country with which they were familiar by rating pipes and tubes from a particular country as superior, comparable, or inferior in each of the same factors. There are little data comparing different subject and nonsubject countries. There were no reported comparisons between domestic circular welded carbon steel pipes and tubes and those from Venezuela. Comparisons between domestic sources and subject countries are reported in table CIRC-II-5.

In each comparison, pipes and tubes from domestic sources are ranked as inferior in price (meaning higher in price), but ranked superior in availability, delivery time and terms, and technical support/service by a majority of responding purchasers. Although some purchasers rate the domestic product as inferior to Korean and Mexican pipe in delivery time and terms and product consistency, the majority of purchasers rate the domestic product as superior to all imported pipe in these factors.

Table CIRC-II-5

Circular welded carbon steel pipes and tubes: Comparisons of domestic products to imports

Factor	U.S. vs India			U.S. vs Korea			U.S. vs Mexico			U.S. vs Taiwan		
	I	C	S	I	C	S	I	C	S	I	C	S
Availability	0	0	1	1	4	11	1	2	4	0	1	2
Delivery terms	0	0	1	1	5	10	0	3	4	0	1	2
Delivery time	0	0	1	0	3	12	1	2	4	0	0	3
Discounts offered	0	1	0	4	7	4	3	4	0	1	2	0
Lower price	1	0	0	12	2	2	4	3	0	2	1	0
Minimum qty requirements	0	0	1	1	8	7	1	5	1	0	0	3
Packaging	0	1	0	5	9	2	2	4	1	0	2	1
Product consistency	0	0	1	3	10	3	1	3	3	0	1	2
Product quality	0	0	1	1	13	2	1	4	2	0	1	2
Product range	0	1	0	4	11	1	1	5	1	0	2	1
Reliability of supply	0	0	1	0	6	9	1	3	3	0	0	3
Technical support/service	0	0	1	0	3	12	1	2	4	0	0	3
Transportation network	0	1	0	0	6	10	0	4	3	0	1	2
U.S. transportation costs	0	0	1	6	7	3	1	3	2	1	0	2

Note.--I = domestic product inferior, C = domestic product comparable, S = domestic product superior

Table continued on next page.

Table CIRC-II-5--Continued

Circular welded carbon steel pipes and tubes: Comparisons of domestic products to imports

Factor	U.S. vs Thailand			U.S. vs Turkey			U.S. vs Venezuela			U.S. vs nonsubject		
	I	C	S	I	C	S	I	C	S	I	C	S
Availability	0	0	3	0	0	4	--	--	--	0	1	5
Delivery terms	0	1	2	0	1	3	--	--	--	0	2	4
Delivery time	0	0	3	0	0	4	--	--	--	0	1	5
Discounts offered	1	2	0	1	2	1	--	--	--	0	3	2
Lower price	3	0	0	4	0	0	--	--	--	4	2	0
Minimum qty requirements	0	0	3	0	1	3	--	--	--	0	3	3
Packaging	0	2	1	1	3	0	--	--	--	0	6	0
Product consistency	0	1	2	0	2	2	--	--	--	0	4	2
Product quality	0	2	1	0	2	2	--	--	--	0	5	1
Product range	0	3	0	0	2	2	--	--	--	0	4	2
Reliability of supply	0	0	3	0	0	4	--	--	--	0	2	4
Technical support/service	0	0	3	0	1	3	--	--	--	0	2	4
Transportation network	0	2	1	0	2	2	--	--	--	0	4	2
U.S. transportation costs	2	0	1	1	1	2	--	--	--	1	4	1

Note.-- I = domestic product inferior, C = domestic product comparable, S = domestic product superior
Source: Compiled from responses to Commission questionnaires.

Domestic producers and U.S. importers were asked to report the interchangeability of domestically produced circular welded carbon steel pipes and tubes with subject and nonsubject imports. They were also asked if there were any differences other than price between domestically produced pipes and tubes and imports. All domestic producers and most importers reported that circular welded carbon steel pipes and tubes produced by domestic producers are interchangeable with those produced in subject and nonsubject sources. Two importers reported that circular welded carbon steel pipes and tubes produced in Taiwan are not interchangeable with those produced domestically, and two importers reported that circular welded carbon steel pipes and tubes from nonsubject countries are not interchangeable with the domestic product. Subject pipes and tubes from Brazil, India, Korea, Mexico, Thailand, Turkey, and Venezuela are reported to be interchangeable with domestic pipes and tubes by a majority of responding importers; but for each country, one importer reported that imported and domestic pipes and tubes are not interchangeable. *** reported that "(c)ertain end-users/processors require certain small diameter produced domestically for various applications" and that "circular welded product which is imported from Taiwan or nonsubject countries does not have the aesthetic appearance as material produced domestically, nor can the availability, transportation network, product range, technical support, etc. be compared—to the advantage of domestic producers." Responses of domestic producers and U.S. importers are summarized in table CIRC-II-6.

Table CIRC-II-6**Circular welded carbon steel pipes and tubes: Interchangeability between domestic and imported product**

Comparison	U.S. Producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
U.S. vs Brazil	17	0	8	1
U.S. vs Korea	19	0	16	1
U.S. vs India	17	0	6	1
U.S. vs Mexico	19	0	9	1
U.S. vs Taiwan	18	0	11	2
U.S. vs Thailand	18	0	8	1
U.S. vs Turkey	17	0	7	1
U.S. vs Venezuela	18	0	9	1
U.S. vs nonsubject	18	0	9	2

Note.--Some responses were implied by comparisons between domestic and imported small diameter pipe and tube.

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

Only three domestic producers reported differences other than price between domestic circular welded carbon steel pipes and tubes and imports. Most importers also reported no differences between domestic pipes and tubes and subject or nonsubject imports. *** reported that delivery times of subject Taiwan pipes and tubes delivered to the West Coast were shorter than delivery times from domestic mills and that this was an important difference.²³ *** noted that “(b)ecause imports generally have longer lead times and may require additional paperwork, customers often prefer to purchase from domestic suppliers, unless the imports have some price advantage.” *** also noted that domestic producers have shorter lead times. Importer *** reported that all subject imports except those from Korea are of “somewhat inferior quality.” The responses of domestic producers and U.S. importers are summarized in table CIRC-II-7.

SIMULATION MODELING

The COMPAS model is a supply and demand model that assumes that domestic and imported products are less than perfect substitutes. Such models, also known as Armington models, are relatively standard in applied trade policy analysis and are used extensively for the analysis of trade policy changes both in partial and general equilibrium. The staff selects a range of estimates that represent price-supply, price-demand, and product-substitution relationships (i.e., supply elasticity, demand elasticity, and substitution elasticity) in the U.S. pipe and tube market. The model uses these estimates with data on market shares, Commerce’s estimated margins of likely dumping and subsidy, transportation costs, and anticipated changes in domestic consumption to analyze the likely effects of the revocation of the AD and/or CVD orders under review on the U.S. domestic like product industry. Comments on the model and elasticity estimates were invited from interested parties.

²³ Response to Commission importer questionnaire.

Table CIRC-II-7**Circular welded carbon steel pipes and tubes: Existence of differences other than price between domestic and imported product**

Comparison	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
U.S. vs Brazil	3	15	3	6
U.S. vs Korea	3	16	3	13
U.S. vs India	3	15	2	6
U.S. vs Mexico	2	17	2	8
U.S. vs Taiwan	3	15	6	7
U.S. vs Thailand	3	15	3	6
U.S. vs Turkey	3	15	3	6
U.S. vs Venezuela	3	15	3	7
U.S. vs nonsubject	3	15	4	7

Note.--Some responses were implied by comparisons between domestic and imported small diameter pipes and tubes.

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

The version of the model used takes into account the market segments of the various subject countries as well as nonsubject sources. A constant elasticity of substitution is assumed between products from domestic, subject, and nonsubject sources.

Simulation models are frequently used by economists to estimate the likely effects of trade policy changes such as tariff increases/reductions or the imposition of quotas. Difficulties with the most common methodologies arise, however, when imports are imperfect substitutes for domestic goods and their baseline market share is zero, or close to zero. The most significant problem relates to measuring the effects of policy changes as percentage changes from baseline levels. When the baseline value of the import market share is zero or close to zero, it is no longer possible to estimate changes in import levels as a percentage of the baseline values. The typical methodology employed by staff to estimate the likely impact of the recurrence or continuation of dumping in review investigations suffers from these limitations.

In the most recent time period for which data are available, of all subject countries, only imports from Korea accounted for more than 5 percent of apparent U.S. consumption. Imports of circular welded carbon steel pipes and tubes from Mexico, Taiwan, and Thailand each accounted for less than 2.5 percent of apparent consumption; imports from Brazil, India, and Turkey each accounted for less than 1 percent of apparent consumption, and imports from Venezuela were zero. With such a small baseline market share, a typical model of percentage changes in market share will underestimate the ability of subject producers and exporters to respond to the large reductions in duties that would be associated with revocation.

However, the use of another baseline period is inappropriate, particularly a baseline period before the imposition of the AD and CVD orders. Use of a baseline period prior to the imposition of duties leads to the estimation of the impact of the removal of duties which at the time had not yet been

imposed.²⁴ The use of a baseline period shortly after the imposition of duties is also inappropriate, if market conditions have changed in the interim.²⁵ Model results with market share data from the first 9 months of 1999 are presented for revocation of the antidumping duties on Korean imports alone. The resulting model is an estimate of the impact on domestic producers of the revocation of antidumping duties on subject imports from Korea alone.

Elasticity Estimates

Domestic supply

The domestic supply elasticity measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of pipes and tubes. The elasticity of domestic supply depends on factors such as the level of excess capacity, the ease with which producers can alter capacity, the ability to shift production to alternate products, the existence of inventories, and the availability of alternate markets for domestic pipes and tubes. Analysis of these factors suggests that the U.S. domestic industry is able to increase or decrease shipments to the U.S. market in response to a price change. An estimate of 5 to 10 is suggested for circular welded carbon steel pipes and tubes.²⁶ No comments were received regarding this estimate.

Subject Supply

The ability of foreign subject and nonsubject producers or exporters to respond to a change in the U.S. price of subject pipes and tubes is enhanced by the existence of the foreign home market and any alternate export markets. These alternate markets for subject pipes and tubes increase the ability of subject producers to respond to price changes in the U.S. market by shifting sales to or from these alternate markets. The ability of subject Korean producers of circular welded carbon steel pipes and tubes to respond to price changes with increased shipments to the U.S. market is enhanced by the fact that some capacity currently allocated to nonsubject line pipe will be available for the production of subject pipes and tubes because of the recent decision on welded line pipe. The U.S. supply elasticity for foreign sources is estimated to be in the range of 10 to 20.²⁷

²⁴ Petitioners recommend the use of 1991 market share data. In 1991, the antidumping duties on circular welded carbon steel pipes and tubes from Brazil, Korea, Mexico, and Venezuela, and on pipes and tubes other than small diameter from Taiwan, had not yet been imposed.

²⁵ The use of a baseline period shortly after the imposition of dumping duties (e.g., 1993) would estimate the anticipated impacts in the U.S. market had the antidumping duties been revoked at that time. If subject producers, exporters, or domestic producers have established other markets, lost or forged ties to distributors and end use customers in the U.S. market, shifted production patterns, or changed capacity or inventories since the proposed baseline period, the current effects of revocation would be expected to differ.

²⁶ Some domestic producers produce more than one type of pipe and tube product subject to these reviews. The ability of a domestic producer to switch to production of an alternate product in response to any price decline attributable to revocation of an existing order would be constrained if an order on the alternate product were revoked.

²⁷ Counsel for domestic producers argues that because of high fixed costs and available capacity the foreign supply elasticity is at the high end of the staff estimate. Counsel for the Korean producers points out that an estimate of 7 to 10 was used in the original case, and that the supply elasticity was estimated to be 5 to 10 in a

(continued...)

U.S. Demand

The U.S. demand elasticity measures the sensitivity of the overall quantity demanded to a change in the U.S. market price. Demand elasticity depends on such factors as the existence, viability, and availability of substitute products, and the component share of the pipes and tubes in the production of downstream products. There are a number of end uses for circular welded carbon steel pipes and tubes, but these products account for a fairly small share of the total cost of most end use products (except fence, in which use there are numerous substitutes). There are available substitutes for circular welded carbon steel pipes and tubes including other carbon steel pipe and tube products; other steel shapes for structural applications; plastic, cast iron, or copper pipe for water conveyance; stainless, alloy steel pipe and tube in severe service applications; and wood and concrete for fence. The prehearing report suggested an aggregate demand elasticity in the range of 1 to 2. Petitioners' prehearing economic submission points out that although there are many substitutes for pipe, subject pipes and tubes account for a small share of the overall cost of most final products. A demand elasticity in the range of 0.75 to 1.0 was suggested. Staff concurs with this estimate.

Substitution

The elasticity of substitution depends on the extent of product differentiation between the domestic and imported products. Product differentiation depends on factors such as quality and conditions of sale such as availability. Based on the available information, the elasticity of substitution between domestic and imported circular welded carbon steel pipes and tubes is estimated to be in the range of 3 to 5. Counsel for domestic producers contends that the substitution elasticity is at the upper end of this range, or higher.

Model Estimations

Approximately *** percent of Korean imports of line pipe are sold for use as standard pipe.²⁸ In the future, this demand would likely be met by subject circular welded carbon steel pipes and tubes.²⁹ Therefore in the model simulation the market share quantity for imports from Korea was increased by a figure equal to *** percent of the quantity of line pipe imports from Korea imported under HTS categories 7306.10.1010 and 7306.10.1050. The resulting import volumes are shown in table CIRC-II-8.

²⁷ (...continued)

more recent investigation (*The Economic Effects of Antidumping and Countervailing Duty Orders and Suspension Agreements*, Inv. No. 332-344, USITC Pub. 2900, p. 13-23, table 13.11) and that, given the declines in capacity and relatively high capacity utilization of Korean producers, an estimate of 5 to 10 is too high.

²⁸ Posthearing report of Korea Iron and Steel Association, exh. 1, p. 14.

²⁹ Mr. Cameron, counsel for Korean producers of circular welded carbon steel pipes and tubes, hearing transcript, pp. 16 and 233, and Russ McFarland of State Pipe, hearing transcript, p. 234.

Table CIRC-II-8

Circular welded carbon steel pipes and tubes: Volume of subject imports from Korea and estimated volume of line pipe in standard pipe use, January–September 1999

Item	Quantity (<i>short tons</i>)	Value (<i>\$1,000</i>)
Subject pipe	129,806	52,656
Line pipe in standard pipe uses	***	***
Total	***	***

The estimated impact on domestic producers of circular welded carbon steel pipes and tubes was based on three different scenarios. Since the model is a forward-looking one, the impact on domestic producers is dependent on the overall level of demand in the U.S. market in future periods. The three situations considered were zero growth in demand, 5 percent growth in demand, and 5 percent decrease in demand. Five percent increase in demand was chosen as the high-growth scenario because total construction expenditure in 1998 was nearly 5 percent higher than in 1997. A number of domestic producers, importers, and purchasers, however, stated that they anticipated no change in demand for circular welded carbon steel pipes and tubes or for light-walled rectangular tubing or reported that demand was dependent on construction levels. Domestic producer *** and importer *** anticipated overall decreases in demand. Market share data used are from interim 1999.

Model estimations are very dependent on forecast demand. The estimated effect of revocation of antidumping duties on Korea combined with anticipated changes in demand ranged from a possible revenue loss of *** percent for domestic producers in the case of a 5 percent decrease in demand, to an increase in revenue of as much as *** percent for a 5 percent increase in demand. Estimated impacts to domestic producers of circular welded carbon steel pipes and tubes are summarized in table CIRC-II-9. The full range of scenarios is presented in appendix L.

Table CIRC-II-9

Circular welded carbon steel pipes and tubes: Estimated effects of demand changes and revocation of Korean antidumping duties on domestic producers

* * * * *

In order to anticipate the likely response of producers and exporters of circular welded carbon steel pipes and tubes in Brazil, India, Mexico, Taiwan, Thailand, Turkey, and Venezuela to revocation of the current duty orders, relevant market conditions during the original investigations are compared with current conditions, as presented in table CIRC-II-10.

Table CIRC-II-10

Circular welded carbon steel pipes and tubes: Factors affecting the ability of foreign producers to respond to revocation of duties with increased shipments

Brazil	
Level of imports	In 1991, imports of subject pipe from Brazil were 54,488 tons, and accounted for 2.8 percent of apparent U.S. consumption. Imports were 45 tons in 1998 and in interim 1999. ¹
Capacity	There are an estimated 21 firms with capacity to produce 1.2 million tons of welded carbon steel pipes and tubes 16" in size and smaller, plus 6 firms which did not report capacity. ²
Production	Production of all tubular steel products in 1997 was 1.33 million tons. ³
Other export markets	Exports to markets other than the United States in 1998 were 6,199 tons. ⁴
Alternate products	Unknown.
India	
Level of imports	In 1985, imports from India were 22,306 tons, and LTFV imports (17,416 tons) accounted for 0.7 percent of apparent U.S. consumption. Imports were 12,137 tons in 1998 and 10,392 tons in 1999. ¹
Capacity	Responding producer estimates total Indian annual capacity at *** tons. Public and questionnaire data indicates capacity to produce welded carbon steel pipes and tubes 16" in size and smaller at *** tons. ²
Capacity utilization	Reporting producer reports *** percent capacity utilization in 1998, and estimates nation-wide capacity utilization of *** percent. ⁶
Other export markets	1997 exports to markets other than the United States were 133 tons. ⁴
Alternate products	Responding producer reports that subject pipe accounts for *** percent of production, with limited ability to shift to alternate products ***. ⁶
Mexico	
Level of imports	In 1990, imports from Mexico were 68,828 tons and accounted for 3.2 percent of apparent U.S. consumption. Imports were 16,282 tons in 1998, and 25,592 tons in 1999. ¹
Capacity	Responding producers report capacity of *** tons of subject product, and *** tons of pipes and tubes 16 inches and smaller in 1998. ⁶ Total Mexican capacity to produce welded carbon steel pipes and tubes 16" in size and smaller is estimated at *** short tons. ²
Capacity utilization	Reported average capacity utilization in 1998 was *** percent. ⁶
Other export markets	Alternate markets which have reportedly been developed or in which sales have increased due to the antidumping order include ***. ⁶ 79.4 percent of Mexican exports are to the United States. ⁴
Alternate products	TUNA, and Hylsa report that production of subject pipe accounts for *** percent of pipe and tube production, respectively. ⁶ In 1998, imports of line pipe from Mexico were nearly 3 times the level of subject pipe. Mexico is not subject to recent import restrictions on line pipe imposed under Section 201.

Table continued next page. Footnotes appear at end of table.

Table CIRC-II-10--Continued

Circular welded carbon steel pipes and tubes: Factors affecting the ability of foreign producers to respond to revocation of duties with increased shipments

Taiwan	
Level of imports	In 1983, imports from Taiwan were 141,199 tons and accounted for 6.7 percent of apparent U.S. consumption. In 1990, imports from Taiwan were 56,420 tons, and accounted for 2.6 percent of apparent U.S. consumption. Imports were 41,007 tons in 1998, and 48,288 tons in 1999. ¹
Capacity	In 1998, 10 Taiwan firms had the capacity to produce subject pipe. Capacity for eight of these firms totaled 807,000 tons. ² Production of tubular products in Taiwan in 1997 was approximately 1.18 million tons. ⁵
Capacity utilization	A response from the American Institute in Taiwan noted that overcapacity is the major problem with the pipe and tube industry in Taiwan. ⁷
Other export markets	Exports in 1998 were approximately 1.77 million tons. ⁷
Alternate products	Unknown.
Thailand	
Level of imports	In 1988, imports from Thailand were 141,950 tons. Imports were 28,049 tons in 1998 and 48,175 tons in 1999. ¹
Capacity	Capacity to produce welded carbon steel pipes and tubes 16" in size and smaller is 909,000 tons per year. ² Production of welded tubes in Thailand in 1997 was 1.17 million tons. ⁵
Capacity utilization	Unknown.
Other export markets	In 1997, UN data indicates the United States was the largest export market, accounting for 30.6 percent of all exports. Exports to all other markets totaled 103,570 tons. ⁴
Alternate products	Unknown.
Turkey	
Level of imports	In 1985, imports from Turkey were 36,277 tons and accounted for 1.5 percent of apparent U.S. consumption. In 1987, imports from Turkey were 113,948 tons. Imports were 7,396 tons in 1998 and 13,191 tons in 1999. ¹
Capacity	The responding producer in Turkey reports annual capacity of *** tons. ⁶ Total capacity to produce tubular products 16" and smaller in Turkey is estimated at *** tons per year. ²
Capacity utilization	Reported capacity utilization of *** percent in 1998. ⁶ Production of tubular products in 1997 is estimated at 1.45 million tons, ⁵ or *** percent of estimated capacity.
Other export markets	Exports to the U.S. market account for 7.0 percent of exports in 1998. Exports to other markets totaled 254,400 tons. ⁴
Alternate products	*** are produced on the same equipment as subject pipe. ⁶

Table continued next page. Footnotes appear at end of table.

Table CIRC-II-10—Continued

Circular welded carbon steel pipes and tubes: Factors affecting the ability of foreign producers to respond to revocation of duties with increased shipments

Venezuela	
Level of imports	In 1990 imports were 18,497 tons and accounted for 0.9 percent of apparent U.S. consumption. Imports were 3,327 tons in 1998 and zero in 1999. ¹
Capacity	Responding producer accounting for *** percent of production of subject pipe, ⁶ reports capacity as *** tons of subject product (*** tons of pipes and tubes 16 inches and smaller) in 1998. National capacity to produce tubular products 16" and smaller is estimated at *** tons per year. ²
Capacity utilization	Reported capacity utilization for Conduven *** percent in 1998. ⁶
Other export markets	Worldwide exports in 1997 were 16,361 tons. ⁴
Alternate products	Subject pipe accounts for *** percent of total production by Conduven. Alternate products produced on the same equipment ***. ⁶
<p>¹ Appendix D. ² Appendix G. ³ <i>Anuario Estadístico de la Siderurgia y Minería del Hierro de América Latina (Statistical Yearbook of Steelmaking and Iron Ore Mining in Latin America)</i>, 1998. ⁴ UN export data which could include such nonsubject products as boiler tube and mechanical tubing, but not line pipe. ⁵ <i>Steel Statistical Yearbook</i>, 1998. ⁶ Response to Commission questionnaire. ⁷ Response received in April 2000 from the American Institute in Taiwan in response to a staff request for data on pipe and tube production in Taiwan.</p> <p>Sources: Official U.S. Department of Commerce statistics; Henry Cooke, ed., <i>Iron and Steel Works of the World</i>, 13th ed. (Metal Bulletin Books, 1999); LaSondra O'Farrell, ed., <i>Pipe and Tube Mills of the World</i>, 2nd ed. (Preston Pipe Report, 1997); <i>Anuario Estadístico de la Siderurgia y Minería del Hierro de América Latina (Statistical Yearbook of Steelmaking and Iron Ore Mining in Latin America)</i>, 1998; UN export data; <i>Steel Statistical Yearbook</i>, 1998; responses to Commission questionnaires; response received in April 2000 from the American Institute in Taiwan.</p>	

CIRC-III: CONDITION OF THE U.S. INDUSTRY

Information in this section is based on the questionnaire responses of 25 producers that accounted for over 90 percent of estimated 1998 shipments of circular welded carbon steel pipes and tubes.¹

U.S. PRODUCERS' CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

As table CIRC-III-1 indicates, production capacity for circular welded carbon steel pipes and tubes increased from 1997 to 1998 while production decreased. These trends repeated themselves when comparing the 1998 interim period with the 1999 interim period.

Table CIRC-III-1
Circular welded carbon steel pipes and tubes: U.S. producers' capacity, production, and capacity utilization, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
Capacity (<i>short tons</i>)	2,960,690	3,039,075	2,286,578	2,297,082
Production (<i>short tons</i>)	2,256,226	2,226,684	1,705,991	1,604,410
Capacity utilization (<i>percent</i>)	76.2	73.3	74.6	69.8

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

*** production and production capacity from 1997 to 1998, ***, at least partially attributable to ***. This production increase helped offset production decreases from 1997 to 1998 at 15 other companies, including a decline of *** short tons at ***. Production capacity decreased at three companies, increased at five others, and remained steady at all other companies from 1997 to 1998.

U.S. PRODUCERS' DOMESTIC SHIPMENTS, COMPANY TRANSFERS, AND EXPORT SHIPMENTS

The unit value per short ton of U.S. shipments of circular welded carbon steel pipes and tubes fell by 2.8 percent from 1997 to 1998 and was 6.3 percent lower in the 1999 interim period compared with the 1998 interim period (table CIRC-III-2).

¹ Coverage estimates are derived from information submitted in response to the Commission's Notice of Institution in these reviews.

Table CIRC-III-2

Circular welded carbon steel pipes and tubes: U.S. producers' shipments, by type, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
	Quantity (<i>short tons</i>)			
Commercial shipments	1,795,335	1,816,502	1,408,937	1,353,849
Internal shipments	348,534	369,859	277,290	263,883
U.S. shipments	2,143,869	2,186,361	1,686,227	1,617,732
Export shipments	102,827	48,401	37,960	36,819
Total shipments	2,246,696	2,234,762	1,724,187	1,654,551
	Value (\$1,000)			
Commercial shipments	1,096,864	1,076,763	846,045	750,424
Internal shipments	211,471	219,658	164,898	158,670
U.S. shipments	1,308,335	1,296,421	1,010,943	909,094
Export shipments	57,243	28,862	22,173	19,802
Total shipments	1,365,578	1,325,284	1,033,116	928,896
	Unit value (<i>per short ton</i>)			
Commercial shipments	\$611	\$593	\$600	\$554
Internal shipments	607	594	595	601
U.S. shipments	610	593	600	562
Export shipments	557	596	584	538
Total shipments	608	593	599	561
Note—***. Because of rounding, figures may not add to the totals shown.				
Source: Compiled from data submitted in response to Commission questionnaires.				

U.S. PRODUCERS' INVENTORIES

Table CIRC-III-3

Circular welded carbon steel pipes and tubes: U.S. producers' end-of-period inventories, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
Inventories (<i>short tons</i>)	272,395	270,889	259,005	245,331
Ratio to production (<i>percent</i>)	12.1	12.2	11.4	11.5
Ratio to U.S. shipments (<i>percent</i>)	12.7	12.4	11.5	11.4
Ratio to total shipments (<i>percent</i>)	12.1	12.1	11.3	11.1
Note—January-September inventory ratios are annualized.				
Source: Compiled from data submitted in response to Commission questionnaires.				

U.S. PRODUCERS' EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table CIRC-III-4

Circular welded carbon steel pipes and tubes: Average number of production and production-related workers, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
PRWs (<i>number</i>)	2,869	2,996	2,862	2,850
Hours worked (<i>1,000</i>)	6,132	6,160	4,648	4,651
Wages paid (<i>\$1,000</i>)	100,442	102,421	76,564	78,537
Hourly wages (<i>dollars per hour</i>)	\$15.44	\$15.79	\$15.64	\$15.97
Productivity (<i>short tons per 1,000 hours</i>)	321.3	324.0	325.6	317.8
Unit labor costs (<i>per short ton</i>)	\$49.17	\$49.57	\$48.89	\$51.14
Note—Productivity, hourly wages, and unit labor costs are calculated using data of firms providing both numerator and denominator information.				
Source: Compiled from data submitted in response to Commission questionnaires.				

FINANCIAL CONDITION OF THE U.S. INDUSTRY

Background

*** producers of circular welded carbon steel pipes and tubes provided usable financial information in response to the Commission's questionnaire.² The majority of companies reported their financial data using a calendar year.³ *** also provided financial information.⁴

While two of the producers, ***, reported on-site production of raw steel into hot-rolled coil feedstock (as a primary raw material for pipe mill operations), most of the producers purchase their primary raw material from third parties.⁵ As a new producer of carbon steel pipes and tubes, Prudential Steel, Inc., an indirectly wholly-owned subsidiary of Prudential Steel, Ltd. located in Alberta, Canada, reported its first sales for the period January through September 1999. The company's new pipe facilities in Longview, Washington, came on line at the end of 1998. Laclede Steel entered Chapter 11 bankruptcy in 1998 and is currently operating as debtor in possession.⁶

The questionnaire response of Newport Steel was verified by the Commission on March 2 and 3, 2000. As a result of this verification, the financial and trade data originally submitted to the Commission by Newport Steel were revised. As appropriate, these revisions are incorporated in the information presented in this report.

Table CIRC-III-5 aggregates income-and-loss data for *** U.S. producers of circular welded carbon steel pipes and tubes. Table CIRC-III-5A provides income-and-loss data for the *** that reported tolling operations for this product category. In 1998, approximately half of this product category's total sales value was accounted for by three companies: *** with *** percent of sales value, *** with *** percent, and *** with *** percent.⁷ In 1998, the remaining producers ranged from *** percent to *** percent of total sales value.

At the beginning of the period, all producers with the exception of *** reported positive operating income. For 1997, the overall operating-income ratio was 9.8 percent. Total sales volume remained within a relatively narrow band between 1997 and the interim 1999 period. While sales volume was somewhat lower in the interim 1999 period, the decline in sales revenue was primarily the result of lower unit sales value. Despite increased operating income reported by *** and several other companies, lower operating income and losses reported by the other producers for interim 1999 resulted in lower estimated cash flows from operations when compared with interim 1998.

² Financial performance of operations on certain small diameter pipes and tubes is provided in appendix M.

³ *** reported a fiscal year ending ***. *** reported fiscal years ending ***.

⁴ In addition, ***.

⁵ ***.

⁶ Overall, Laclede last reported operating profit in 1994 (see "Laclede Steel Files for Chapter 11," *Newsteel* article retrieved on March 14, 2000, at <http://www.newsteel.com.news/NW990102.htm>).

⁷ ***.

Table CIRC-III-5

Results of operations of U.S. producers in the production of circular welded carbon steel pipes and tubes, fiscal years 1997–98, January–September 1998, and January–September 1999

Item	Fiscal year		January–September	
	1997	1998	1998	1999
	Quantity (short tons)			
Trade sales	1,771,240	1,759,188	1,383,326	1,313,387
Company transfers	354,477	380,467	285,546	270,266
Total sales	2,125,717	2,139,655	1,668,872	1,583,653
	Value (\$1,000)			
Trade sales	1,095,762	1,076,597	848,522	744,193
Company transfers	214,224	224,870	168,955	162,814
Total sales	1,309,986	1,301,467	1,017,477	907,007
Cost of goods sold	1,112,093	1,106,748	864,290	768,242
Gross profit	197,894	194,719	153,187	138,765
SG&A expenses	69,983	77,188	59,140	61,612
Operating income or (loss)	127,910	117,531	94,048	77,152
Interest expense	15,245	18,115	13,989	13,449
Other expense	2,708	3,065	2,366	2,240
Other income items	2,792	3,188	2,266	3,470
Net income or (loss)	112,750	99,539	79,959	64,933
Depreciation/amortization	19,346	21,460	16,130	17,834
Cash flow	132,096	120,998	96,089	82,768
	Ratio to net sales (percent)			
Cost of goods sold	84.9	85.0	84.9	84.7
Gross profit	15.1	15.0	15.1	15.3
SG&A expenses	5.3	5.9	5.8	6.8
Operating income or (loss)	9.8	9.0	9.2	8.5
Net income or (loss)	8.6	7.6	7.9	7.2
	Number of firms reporting			
Operating losses	***	5	4	9
Data	22	22	22	23
Note: Because of rounding, figures may not add to the totals shown.				
Source: Compiled from data submitted in response to Commission questionnaires.				

Table CIRC-III-5A

Results of tolling operations in the production of circular welded carbon steel pipes and tubes, fiscal years 1997-98, January-September 1998, and January-September 1999

* * * * *

The average unit sales and cost values per short ton during the period examined are provided in table CIRC-III-6. With the exception of ***, the *** producers reported declines in unit sales values which were generally exceeded by lower cost of goods sold (COGS).^{8 9} Since unit selling, general, and administrative (SG&A) expenses were small relative to total cost, the large increases reported by some of the producers did not have a significant impact on operating income. Other than ***, companies reporting negative operating income for interim 1999 also had negative gross margins; i.e., somewhat larger unit SG&A expenses did not cause the negative operating results, but rather exacerbated them.

Table CIRC-III-6

Results of operations (per short ton) of U.S. producers in the production of circular welded carbon steel pipes and tubes, fiscal years 1997-98, January-September 1998, and January-September 1999

Item	Fiscal year		January-September	
	1997	1998	1998	1999
	Unit value (per short ton)			
Net sales	\$616	\$608	\$610	\$573
Cost of goods sold				
Raw materials	383	370	370	330
Direct labor	48	50	49	54
Other factory	92	98	99	102
Total cost of goods sold:	523	517	518	485
Gross profit	93	91	92	88
SG&A expenses	33	36	35	39
Operating income or (loss)	60	55	56	49

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

With respect to *** reported operating losses during the period for which data were collected. (Note: *** also reported losses for full-year 1998, interim 1998, and interim 1999. *** reported operating losses for the entire period.) At the end of the interim period, nine of the producers *** reported negative operating income. In contrast, between 1997 and the interim 1999 period, ***. The

⁸ *** reported scrap as a primary raw material, while the other producers reported steel slabs or coils as primary raw materials. With the exception of ***, which did not provide separate cost information for their primary raw material, all other producers provided information showing that individual primary raw material costs declined during the period examined.

⁹ ***.

remaining companies reported mixed results with operating ratios either improved or deteriorated. Company-specific financial information related to circular welded carbon steel pipes and tubes is provided in table CIRC-III-7.

Table CIRC-III-7
Results of operations of U.S. producers in the production of circular welded carbon steel pipes and tubes, by firm, fiscal years 1997-98, January-September 1998, and January-September 1999

* * * * *

Capital Expenditures, R&D Expenses, and Investment in Productive Facilities

The responding firms' data on capital expenditures, R&D expenses, and the value of their property, plant, and equipment are shown in table CIRC-III-8.

Table CIRC-III-8
Capital expenditures by firm, total value of assets, and R&D expenses of U.S. producers of circular welded carbon steel pipes and tubes, fiscal years 1997-98, January-September 1998, and January-September 1999

* * * * *

CIRC-IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

U.S. IMPORTS

Import data in table CIRC-IV-1 were compiled from official U.S. Department of Commerce statistics, as revised by Commission staff.¹ As the table indicates, imports from Korea accounted for approximately 20–26 percent of all imports of circular welded carbon steel pipes and tubes during the periods under review and subject imports from all sources combined accounted for 34–41 percent.

Table CIRC-IV-1
Circular welded carbon steel pipes and tubes: U.S. imports, by sources, 1997–98, January–September 1998, and January–September 1999

Source	Calendar year		January–September	
	1997	1998	1998	1999
	Quantity (short tons)			
Brazil	69	45	38	45
India	10,095	12,137	11,190	7,429
Korea	173,579	174,929	120,983	129,806
Mexico	3,407	16,282	12,501	19,875
Taiwan	23,027	41,007	33,980	30,792
Thailand	62,328	28,049	28,049	35,251
Turkey	2,674	7,396	2,469	12,970
Venezuela	110	3,327	3,327	0

Footnotes appear at the end of the table.

¹ Commission staff adjusted imports from “other sources” by removing imports alleged to be Canadian mechanical tubing for automotive applications, as determined from U.S. Customs Service information. These adjustments revised official Commerce statistics downward by the following amounts: 25,257 short tons (\$25.9 million) in 1997; 25,703 short tons (\$23.2 million) in 1998; 18,723 short tons (\$16.9 million) in January–September 1998; and 24,091 short tons (\$21.0 million) in January–September 1999. These adjustments are less than adjustments advocated by counsel for U.S. producers, who asserts that official U.S. import statistics should be revised downward by using official Canadian export data for circular welded carbon steel pipes and tubes to lower official Commerce statistics by the following amounts: 1997-163,920 short tons; 1998-206,026 short tons; and the 1999 interim period-146,342 short tons. Commission staff utilized Customs information in adjusting official Commerce statistics to minimize any disparities in commingling national trade data that may have been subject to differing treatments by the United States and Canada and to take advantage of the greater depth of information provided by the Customs information, such as the names, addresses, and individual entries of potential mechanical tubing imports, that was available to Commission staff.

Table CIRC-IV-1—Continued
Circular welded carbon steel pipes and tubes: U.S. imports, by sources, 1997–98, January–September 1998, and January–September 1999

Source	Calendar year		January–September	
	1997	1998	1998	1999
	Quantity (short tons)			
All subject countries	275,288	283,174	212,537	236,170
Other sources ¹	393,202	526,937	405,855	337,316
Total	668,490	810,111	618,392	573,486
	Value (\$1,000)			
Brazil	139	82	70	72
India	5,367	6,211	5,686	3,097
Korea	80,284	79,702	56,583	52,656
Mexico	1,957	8,262	6,360	9,712
Taiwan	10,861	18,144	15,306	11,353
Thailand	30,740	13,996	13,996	14,898
Turkey	1,225	3,334	1,163	4,920
Venezuela	66	1,660	1,660	0
All subject countries	130,641	131,391	100,824	96,707
Other sources ¹	239,456	299,612	232,489	187,489
Total	370,097	431,002	333,313	284,196
	Unit value (per short ton)			
Brazil	\$2,032	\$1,808	\$1,844	\$1,595
India	532	512	508	417
Korea	463	456	468	406
Mexico	574	507	509	489
Taiwan	472	442	450	369
Thailand	493	499	499	423
Turkey	458	451	471	379
Venezuela	602	499	499	(²)
All subject countries	475	464	474	409
Other sources ¹	609	569	573	556
Total	554	532	539	496

Footnotes appear at the end of the table.

Table CIRC-IV-1—Continued
Circular welded carbon steel pipes and tubes: U.S. imports, by sources, 1997–98, January–September 1998, and January–September 1999

Source	Calendar year		January–September	
	1997	1998	1998	1999
Share of quantity (percent)				
Brazil	(³)	(³)	(³)	(³)
India	1.5	1.5	1.8	1.3
Korea	26.0	21.6	19.6	22.6
Mexico	0.5	2.0	2.0	3.5
Taiwan	3.4	5.1	5.5	5.4
Thailand	9.3	3.5	4.5	6.1
Turkey	0.4	0.9	0.4	2.3
Venezuela	(³)	0.4	0.5	0.0
All subject countries	41.2	35.0	34.4	41.2
Other sources ^{1, 4}	58.8	65.0	65.6	58.8
Total	100.0	100.0	100.0	100.0
Share of value (percent)				
Brazil	(³)	(³)	(³)	(³)
India	1.5	1.4	1.7	1.1
Korea	21.7	18.5	17.0	18.5
Mexico	0.5	1.9	1.9	3.4
Taiwan	2.9	4.2	4.6	4.0
Thailand	8.3	3.2	4.2	5.2
Turkey	0.3	0.8	0.3	1.7
Venezuela	(³)	0.4	0.5	0.0
All subject countries	35.3	30.5	30.2	34.0
Other sources ¹	64.7	69.5	69.8	66.0
Total	100.0	100.0	100.0	100.0
<p>¹ As adjusted by Commission staff to account for mechanical tubing imports. These adjustments amounted to 25,257 short tons (\$25.9 million) in 1997; 25,703 short tons (\$23.2 million) in 1998; 18,723 short tons (\$16.9 million) in January–September 1998; and 24,091 short tons (\$21.0 million) in January–September 1999.</p> <p>² Not applicable.</p> <p>³ Less than 0.05 percent.</p> <p>⁴ In 1998, imports from Canada accounted for 47.2 percent of adjusted nonsubject imports by quantity. China accounted for 18.5 percent of adjusted nonsubject imports by quantity.</p> <p>Note—Because of rounding, figures may not add to the totals shown; unit values and shares are calculated from the unrounded data.</p> <p>Source: Compiled from official statistics of the U.S. Department of Commerce.</p>				

Twenty-six importers provided usable data on circular welded carbon steel pipes and tubes. Most of these 26 importers are located in either California or the New York/New Jersey area, with a few in Texas and a few others in the Great Lakes region. The three largest U.S. importers in terms of quantity in 1998 were ***, accounting for 44.5 percent of imports based on questionnaire data and 13.4 percent of imports based on adjusted official statistics. *** imported exclusively from Korea, and *** imported from Korea² (subject) and Guatemala (nonsubject).

U.S. IMPORTERS' INVENTORIES

End-of-period inventories of imported circular welded carbon steel pipes and tubes are shown in table CIRC-IV-2. The largest inventories of subject circular welded carbon steel pipes and tubes during the periods under review were from Thailand. In general, the level of inventories and the ratio of inventories to imports decreased from 1997 to 1998 and were lower in the 1999 interim period compared with the 1998 interim period.

Table CIRC-IV-2

Circular welded carbon steel pipes and tubes: U.S. importers' end-of-period inventories of imports, by sources, 1997-98, January-September 1998, and January-September 1999

* * * * *

THE INDUSTRIES IN BRAZIL, INDIA, KOREA, MEXICO, TAIWAN, THAILAND, TURKEY, AND VENEZUELA

Foreign industry capacity for producing welded carbon steel pipes and tubes was compiled from questionnaire responses and from industry directories. Data are included only for mills capable of producing product up to and including 16 inches in outside diameter. These data are shown in appendix G.

No producers of circular welded carbon steel pipes and tubes in Brazil,³ Taiwan,⁴ or Thailand⁵ responded to the Commission's questionnaires. In its response to the notice of institution for these reviews, counsel for U.S. producers listed two producers of circular welded carbon steel pipes and tubes in Brazil and estimated an aggregate production capacity of 423,000 short tons. Counsel provided no information on producers in Taiwan or Thailand.

² ***.

³ For Brazil, the Commission identified three names and fax numbers of possible circular welded carbon steel pipes and tubes producers. Questionnaires were successfully transmitted by facsimile to two of these companies, one of which—***—responded that it did not produce or export the subject product.

⁴ For Taiwan, the Commission identified three names and fax numbers of possible circular welded carbon steel pipes and tubes producers. Questionnaires were successfully transmitted to all companies; none responded.

⁵ For Thailand, the Commission identified two names and fax numbers of possible circular welded carbon steel pipes and tubes producers. Questionnaires were successfully transmitted to all companies; none responded. The Commission also communicated with staff in the Embassy of Thailand in Washington, D.C., who agreed to send the Commission's questionnaires to circular welded carbon steel pipes and tubes producers in Thailand and encourage responses. Telephone conversations with ***, Embassy of Thailand, February 29 and April 7, 2000.

Regarding Brazil, as reported in appendix G, table G-2, Brazil has an estimated capacity to produce at least 1.2 million short tons⁶ of welded carbon steel pipes and tubes, which could include nonsubject circular pipes and tubes, rectangular and shapes (nonrectangular), and pipes and tubes outside the size parameters of these reviews. As reported in appendix H, table H-1, Brazil exported 6,954 short tons of pipes and tubes worldwide in 1998, although this figure, derived from United Nations (UN) data, may be overstated with respect to subject circular pipes and tubes.⁷

Regarding Taiwan, the Commission sent a cable transmission to the American Institute in Taiwan (AIT), requesting information on the circular welded carbon steel pipe and tube industry in Taiwan. The AIT responded with information on Taiwan's steel pipe industry in general and not on the circular welded carbon steel pipe and tube industry in Taiwan specifically, noting that "the major problem in Taiwan's steel pipe and tube industry is over-capacity."⁸

As reported in appendix G, table G-7, Taiwan has an estimated capacity to produce at least 807,000 short tons⁹ of welded carbon steel pipes and tubes, which could include nonsubject circular pipes and tubes, rectangular and shapes (nonrectangular), and pipes and tubes outside the size parameters of these reviews. Commission staff was unable to obtain Taiwan's exports in 1998 because Taiwan is not a UN member.

Regarding Thailand, as reported in appendix G, table G-8, Thailand has an estimated capacity to produce 909,000 short tons of welded carbon steel pipes and tubes, which could include nonsubject circular pipes and tubes, rectangular and shapes (nonrectangular), and pipes and tubes outside the size parameters of these reviews. As reported in appendix H, table H-1, Thailand exported 149,215 short tons of pipes and tubes worldwide in 1997 (the most recent year for which data are available), although this figure, derived from UN data, may include nonsubject product, as previously explained.

In its response to the notice of institution for these reviews, counsel for U.S. producers listed three producers of circular welded carbon steel pipes and tubes in India and estimated an aggregate production capacity of at least 245,000 tons, based on production figures for two of the three listed companies. One Indian company—***—contacted the Commission *** expressing a desire to participate in the reviews on circular welded carbon steel pipes and tubes. Its data are presented in table CIRC-IV-3.

As reported in appendix G, table G-3, India has an estimated capacity to produce more than *** short tons¹⁰ of welded carbon steel pipes and tubes, which could include nonsubject circular pipes and tubes, rectangular and shapes (nonrectangular), and pipes and tubes outside the size parameters of these reviews. As reported in appendix H, table H-1, India exported 133 short tons of pipes and tubes worldwide in 1997 (the most recent year for which data are available), although this figure, derived from UN data, may be overstated with respect to subject circular pipes and tubes.

⁶ Estimated capacity is likely understated. No published capacity data are available for 6 of the 27 listed Brazilian pipe producers.

⁷ UN data includes exports of all circular welded carbon steel pipes and tubes classified under HTS subheading 7306.30, which includes subject pipes and tubes, boiler tube, and mechanical tubing, but excludes line pipe.

⁸ Response of American Institute in Taiwan, April 2000.

⁹ Estimated capacity is likely understated. No published capacity data are available for 5 of the 10 listed pipe producers in Taiwan.

¹⁰ Estimated capacity is likely understated. No published capacity data were available for 3 of the 40 listed Indian pipe producers.

Table CIRC-IV-3

Circular welded carbon steel pipes and tubes: Data for responding producer in India, 1997–98, January–September 1998, and January–September 1999

* * * * *

In its response to the notice of institution for these reviews, counsel for U.S. producers provided no estimate of aggregate production capacity for Korean circular welded carbon steel pipe and tube producers, but counsel’s figures indicate that capacity was no smaller than 2.49 million short tons in 1997.¹¹ Nine Korean producers of circular welded carbon steel pipes and tubes—Dongbu Steel, Hyundai Pipe, Korea Iron & Steel, Korea Steel Pipe, Masan Steel Tube Works, SeAH Steel, Shinchang Steel Industry, Shinho Steel, and Union Steel—participated in these reviews and responded to the Commission’s questionnaire with usable data (table CIRC-IV-4). The reported capacity of these nine firms for the production of circular welded carbon steel pipes and tubes was *** short tons in 1997 and *** short tons in 1998.

As reported in appendix G, table G-4, Korea has an estimated capacity to produce more than *** short tons¹² of welded carbon steel pipes and tubes, which includes nonsubject circular pipes and tubes, rectangular and shapes (nonrectangular), and pipes and tubes outside the size parameters of these reviews. As reported in appendix H, table H-1, Korea exported 512,653 short tons of pipes and tubes worldwide in 1998, although this figure, derived from UN data, may include nonsubject products.

Table CIRC-IV-4

Circular welded carbon steel pipes and tubes: Data for responding producers in Korea, 1997–98, January–September 1998, and January–September 1999

* * * * *

Counsel for U.S. producers provided no information on Mexican circular welded carbon steel pipe and tube producers, but in its response to the notice of institution for these reviews, a Mexican producer counsel’s figures indicated that aggregate production capacity was approximately ***. Two Mexican producers, Hylsa and Tuberia Nacional (TUNA), participated in these reviews and responded to the Commission’s questionnaire with usable data (table CIRC-IV-5).

As reported in appendix G, table G-5, Mexico has an estimated capacity to produce more than *** short tons¹³ of welded carbon steel pipes and tubes, which includes nonsubject circular pipes and

¹¹ Counsel for U.S. producers cited the 1998 KSEC annual report of Hyundai Pipe Co., a respondent in these reviews, which allegedly stated that “Korean steel pipe production between 1997 and 1998 fell 15 percent from 2,261,335 metric tons (2,492,670 short tons) to 1,916,947 metric tons, resulting in lower capacity utilization.” Response of Domestic Interested Parties to Notice of Institution, June 22, 1999, p. 55. Assuming that capacity utilization was not greater than 100 percent in 1997, production capacity of the Korean steel pipe industry, which may include producers of nonsubject pipes and tubes as “steel pipe” was not comprehensively defined, was at least 2.49 million short tons in 1997.

¹² Figure excludes capacity of *** which reportedly ***. Estimated capacity may be understated. No published capacity data were available for 1 of the 15 listed Korean pipe producers.

¹³ Estimated production is likely understated. No published capacity data were available for 5 of the 20 listed Mexican pipe producers.

tubes, rectangular and shapes (nonrectangular), and pipes and tubes outside the size parameters of these reviews. As reported in appendix H, table H-1, Mexico exported 76,291 short tons of pipes and tubes worldwide in 1998, although this figure, derived from UN data, may overstate subject circular welded pipes and tubes.

Table CIRC-IV-5
Circular welded carbon steel pipes and tubes: Data for responding producers in Mexico, 1997–98, January–September 1998, and January–September 1999

* * * * *

Counsel for U.S. producers provided no information on Turkish circular welded carbon steel pipe and tube producers, but in its response to the notice of institution for these reviews, figures submitted by the counsel for the Turkish producer participating in these reviews, Borusan Birlesik Boru Fabrikalari A.S., indicate that aggregate production capacity was at least *** in 1998. Borusan responded to the Commission’s questionnaire with usable data (table CIRC-IV-6).

As reported in appendix G, table G-9, Turkey has an estimated capacity to produce more than *** short tons¹⁴ of welded carbon steel pipes and tubes, which includes nonsubject circular pipes and tubes, rectangular and shapes (nonrectangular), and pipes and tubes outside the size parameters of these reviews. As reported in appendix H, table H-1, Turkey exported 273,612 short tons of pipes and tubes worldwide in 1998, although this figure, derived from UN data, may include nonsubject products.

Table CIRC-IV-6
Circular welded carbon steel pipes and tubes: Data for responding producer in Turkey, 1997–98, January–September 1998, and January–September 1999

* * * * *

U.S. producers’ counsel provided no information on Venezuelan circular welded carbon steel pipe and tube producers, but in a submission in these reviews C.A. Conduven’s counsel indicated that aggregate production capacity for subject circular welded carbon steel pipes and tubes at least *** in 1998. Conduven, which reportedly accounts for *** percent of Venezuelan standard pipe production in 1998 according to its counsel, participated in these reviews and responded to the Commission’s questionnaire with usable data (table CIRC-IV-7).

As reported in appendix G, table G-10, Venezuela has an estimated capacity to produce *** short tons of welded carbon steel pipes and tubes, which includes nonsubject circular pipes and tubes, rectangular and shapes (nonrectangular), and pipes and tubes outside the size parameters of these reviews. As reported in appendix H, table H-1, Venezuela exported 16,361 short tons of pipes and tubes worldwide in 1997 (the most recent year for which data are available), although this figure, derived from UN data, may be overstated with respect to subject circular welded carbon steel pipes and tubes.

¹⁴ Estimated capacity is likely understated. No published capacity data were available for 1 of the 13 listed Turkish pipe producers.

Table CIRC-IV-7
Circular welded carbon steel pipes and tubes: Data for responding producer in Venezuela, 1997-98,
January-September 1998, and January-September 1999

* * * * *

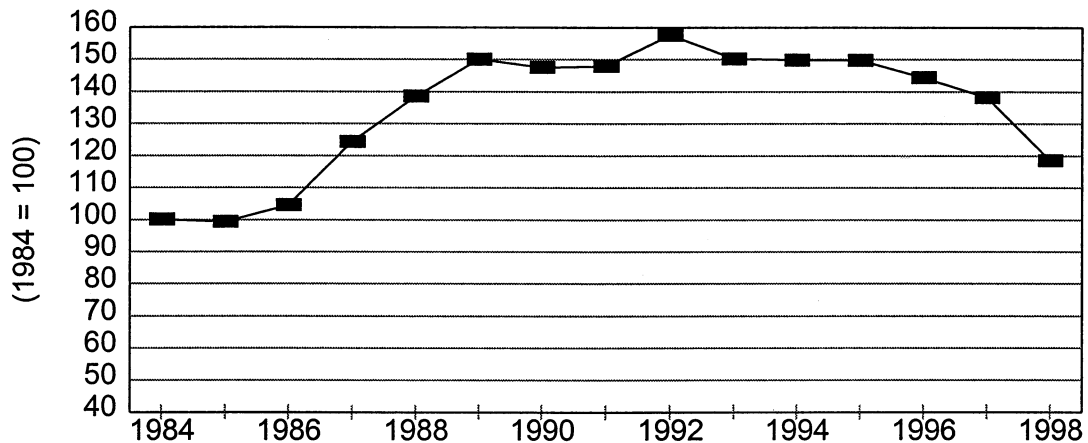
CIRC-V: PRICING AND RELATED INFORMATION

EXCHANGE RATES

The AD orders subject to these reviews include certain small diameter pipes and tubes from Taiwan (1984), and circular welded carbon steel pipes and tubes other than certain small diameter from Taiwan (1992). Since 1984, the average annual nominal value of the Taiwan NT dollar relative to the U.S. dollar increased nearly 60 percent to a high in 1992, then fell slowly through 1997 to approximately 140 percent of its 1984 value, and in 1998 declined more rapidly. In 1998 the value of the Taiwan NT dollar relative to the U.S. dollar was approximately 119 percent of its 1984 value. This was approximately 75 percent of the 1992 relative value. Overall, changes in exchange rates have tended to make certain small diameter pipes and tubes from Taiwan more costly since the date of that order, and other circular welded carbon steel pipes and tubes from Taiwan less costly since the date of that order. See figure CIRC-V-1.

Figure CIRC-V-1

Index of the nominal exchange rate of the Taiwan NT dollar relative to the U.S. dollar, 1984-98

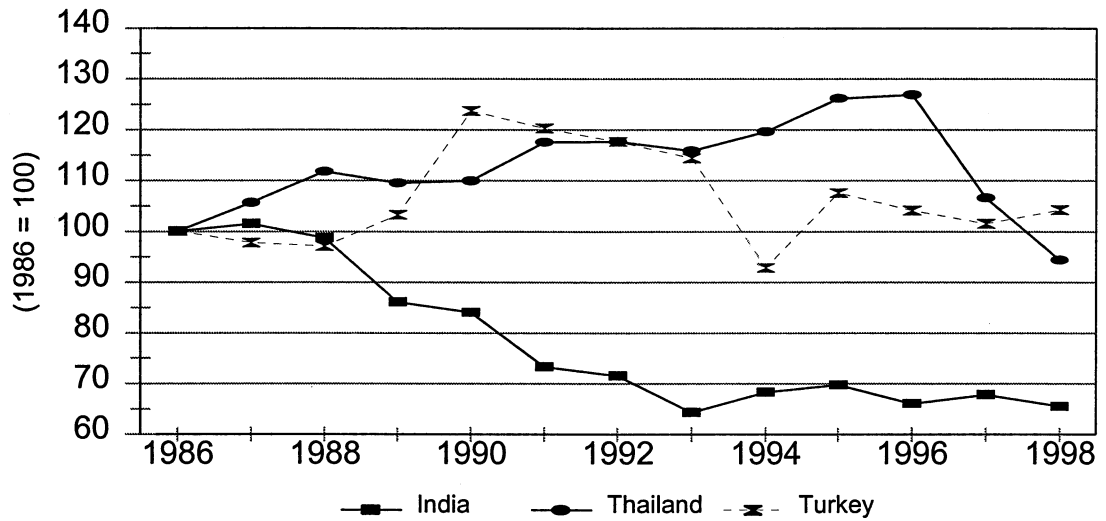


Source: Central Bank of China, www.cbc.gov.tw/www/eng/index.html retrieved December 1, 1999, and www.stls.frb.org/fred/data/exchange/extaus retrieved December 8, 1999.

In 1986, AD orders were imposed on imports of circular welded carbon steel pipes and tubes from three countries, India, Thailand, and Turkey. Since 1986, the real annual average value relative to the U.S. dollar for the currencies of Thailand and Turkey each irregularly increased, then fell to be, in 1998, within 10 percent of the real 1986 value. The Thai baht rose irregularly to a high 27 percent above its 1986 relative value in 1996, and fell steeply to 6 percent below the 1986 value in 1998. The value of the Turkish lira relative to the U.S. dollar increased to 24 percent over its 1986 value in 1990, then fell irregularly to 104 percent of its 1986 value in 1998. Of the currencies of the countries subject to antidumping or countervailing duty orders covering imports of circular welded carbon steel pipes and tubes, only the Indian rupee has fallen significantly relative to the U.S. dollar. In 1998, the real value of the Indian rupee relative to the U.S. dollar had fallen to 66 percent of its 1986 value (see figure CIRC-V-2).

Figure CIRC-V-2

Indices of the real exchange rates of the currencies of India, Thailand, and Turkey relative to the U.S. dollar, 1986-98

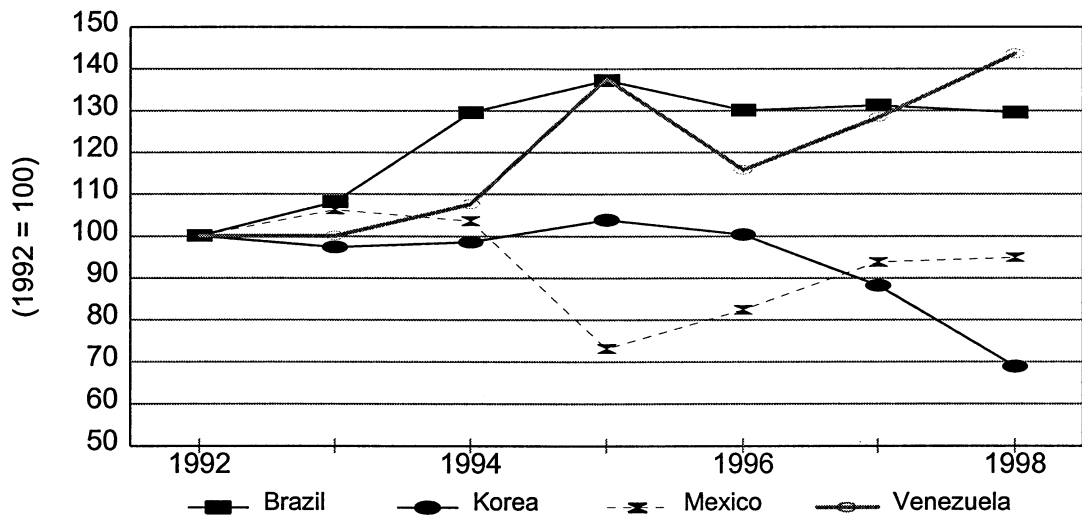


Source: International Monetary Fund, International Financial Statistics, 1999 Yearbook.

Four countries (Brazil, Korea, Mexico, and Venezuela) are sources of circular welded carbon steel pipes and tubes covered by orders imposed in 1992 and subject to these reviews. The real values of the Brazilian real and the Venezuelan bolivare relative to the U.S. dollar have increased since 1992. The real values in 1998 were 30 percent and 44 percent, respectively, above the 1992 values. The real value of the Mexican peso relative to the U.S. dollar fell substantially in 1995, but has since increased to 95 percent of its 1992 value. The real value of the Korean won has fallen rapidly since 1996. In 1998, the real value of the Korean won relative to the U.S. dollar was 69 percent of its 1992 value (see figure CIRC-V-3).

Figure CIRC-V-3

Indices of the real exchange rates of the currencies of Brazil, Korea, Mexico, and Venezuela relative to the U.S. dollar, 1992-98



Source: International Monetary Fund, International Financial Statistics, 1999 Yearbook.

OTHER FACTORS AFFECTING PRICING

The primary raw material input in the production of circular welded carbon steel pipes and tubes, is carbon steel sheet. Domestic producers and importers generally report that the price of circular welded carbon steel pipes and tubes is largely dependent on the cost of steel, although several producers and importers noted that the price of circular welded carbon steel pipes and tubes was dependent on the price of oil, as line pipe is a substitute for subject circular welded carbon steel pipes and tubes, both in production and end use.

Six domestic producers of circular welded carbon steel pipes and tubes note that the price of raw materials had recently increased. Three of the six reported the magnitude of the change. *** reported that steel accounts for up to 40 percent of the cost of subject pipes and tubes, and that steel prices have increased \$80 per ton; *** reported that steel coils have increased \$10 to \$30 per ton; and *** reported that raw materials costs are up 20 percent since July 1999. In contrast *** reports that steel prices have been depressed most of the last two decades.

Of 21 purchasers of circular welded carbon steel pipes and tubes who provided information, 14 report that U.S. inland freight is an important factor in their purchases of pipes and tubes. Eight of these purchasers report that U.S. inland freight on pipes and tubes from import sources is lower than from domestic sources.

PRICING PRACTICES

The majority of responding domestic producers of circular welded carbon steel pipes and tubes report that 90 to 100 percent of sales are spot sales. The exceptions are ***, with reported contract sales of ***. Two of these producers, ***, also produce OCTG and did not report this information for the two products separately. *** report that contracts fix mainly price, or fix price and estimate quantity. *** reports that contracts fix both price and quantity. Reported lead times range from 1 to 14 days on material from inventory, to up to 90 days on mill orders.¹

Of the reporting importers of circular welded carbon steel pipes and tubes, *** reported sales under contract of more than *** percent with reported contract duration longer than lead times. *** reported that 95 percent to 100 percent of sales are under contract, but reported lead times as long or longer than contract duration.

PRICE DATA

Pricing Products

Quarterly quantity and value information was requested for the first quarter of 1997 through the third quarter of 1999. Prices were requested for six circular welded carbon steel pipe and tube products. Products for which information was requested were:

Product 1.—Circular welded non-alloy steel pipe meeting ASTM-A-53 or equivalent, schedule 40, black, plain-end, 1 inch nominal inside diameter

Product 2.—Circular welded non-alloy steel pipe meeting ASTM-A-53 or equivalent, schedule 40, black, plain-end, 2 inches nominal inside diameter

¹ *** reported that in 1998 *** percent of sales of circular welded carbon steel pipes and tubes were from inventory and that ***.

Product 3.—Circular welded non-alloy steel pipe meeting ASTM-A-53 or equivalent, schedule 40, black, plain-end, 4 inches nominal inside diameter

Product 4.—Circular welded non-alloy steel pipe meeting ASTM-A-53 or equivalent, schedule 40, black, plain-end, 6 inches nominal inside diameter

Product 5.—Circular welded non-alloy steel pipe meeting ASTM-A-53 or equivalent, schedule 40, black, plain-end, 10 inches nominal inside diameter

Product 6.—Circular welded non-alloy steel fence tubing, galvanized, plain-end, 1.315 inches in outside diameter with a wall thickness of 0.069 inch ($\pm 10\%$).

Price Trends

Price data reported for the circular welded carbon steel pipe and tube products accounts for a small share of total U.S. shipments, because of the wide variety of diameters, wall thickness, end treatment, and finishes available. Reported price data for 1998 accounts for approximately 6.1 percent of reporting domestic producers' U.S. shipments in 1998, on a value basis. Coverage for imports from Korea and Taiwan is similar. Reported price data accounts for 5.8 percent of U.S. imports of subject Korean pipes and tubes, and 8.6 percent of U.S. imports of subject pipes and tubes from Taiwan in 1998.² Coverage is somewhat higher for India, Mexico, Thailand, and Turkey. Reported price data for 1998 accounts for approximately 14.6, 16.0, 24.2, and 13.5 percent of U.S. imports of subject product from India, Mexico, Thailand, and Turkey, respectively. There was no reported price data on circular welded carbon steel pipes and tubes from Brazil or Venezuela.

Most reported sales of domestically produced circular welded carbon steel pipes and tubes were to distributors, as were all reported sales of imported circular welded carbon steel pipes and tubes; therefore, only sales to distributors were included in this analysis and reported in this section. Sales of the selected circular welded carbon steel pipe and tube products from domestic sources were reported in all 11 quarters for which data were requested. Sales of each product were reported from at least one subject country in each of the 11 quarters. Graphs of reported U.S. prices for selected products are presented in appendix N. In general, there was underselling of smaller diameter pipe, and mixed underselling and overselling of larger pipe sizes. Margins of underselling for products 1, 2, and 6 (diameters under 4 inches) were generally higher in 1999 than in previous periods. Sales of products 1, 2, and 3 were reported from India, Korea, Taiwan, Thailand, and Turkey. Imports undersold domestic product 1 in 48 of 50 comparisons, and undersold domestic product 2 in 41 of 50 comparisons (tables CIRC-V-1 and CIRC-V-2, respectively). Imports undersold domestic product 3 in 18 of 50 comparisons (table CIRC-V-3). Sales of product 4 were reported from India, Korea, Taiwan, Thailand, and Turkey, and undersold the domestic product in 17 of 42 comparisons (table CIRC-V-4). Sales of product 5 were reported from India, Korea, and Turkey, and undersold the domestic product in 12 of 25 comparisons (table CIRC-V-5).³ Sales of product 6 were reported from India, Korea, Mexico, Taiwan, and Turkey, and undersold the domestic product in every comparison (table CIRC-V-6). There were no reported sales of the selected circular welded carbon steel pipe and tube products from Brazil or Venezuela.

² Coverage is based on U.S. shipments of circular welded carbon steel pipes and tubes by reporting domestic producers and importers (table CIRC-I-5).

³ There were no margins of underselling for product 5 in 1999.

Table CIRC-V-1

Circular welded carbon steel pipes and tubes: Quantity, weighted-average U.S. selling prices, and margins of under/(over)selling of product 1 sold to distributors, by country and by quarter, January 1997-September 1999

* * * * *

Table CIRC-V-2

Circular welded carbon steel pipes and tubes: Quantity, weighted-average U.S. selling prices, and margins of under/(over)selling of product 2 sold to distributors, by country and by quarter, January 1997-September 1999

* * * * *

Table CIRC-V-3

Circular welded carbon steel pipes and tubes: Quantity, weighted-average U.S. selling prices, and margins of under/(over)selling of product 3 sold to distributors, by country and by quarter, January 1997-September 1999

* * * * *

Table CIRC-V-4

Circular welded carbon steel pipes and tubes: Quantity, weighted-average U.S. selling prices, and margins of under/(over)selling of product 4 sold to distributors, by country and by quarter, January 1997-September 1999

* * * * *

Table CIRC-V-5

Circular welded carbon steel pipes and tubes: Quantity, weighted-average U.S. selling prices, and margins of under/(over)selling of product 5 sold to distributors, by country and by quarter, January 1997-September 1999

* * * * *

Table CIRC-V-6

Circular welded carbon steel pipes and tubes: Quantity, weighted-average U.S. selling prices, and margins of under/(over)selling of product 6 sold to distributors, by country and by quarter, January 1997-September 1999

* * * * *



UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC



**LIGHT-WALLED RECTANGULAR CARBON STEEL PIPES AND TUBES
FROM ARGENTINA, SINGAPORE, AND TAIWAN**

Investigations Nos. 731-TA-296, 409, and 410 (Review)

July 2000

1

LWR-I: INTRODUCTION AND OVERVIEW

BACKGROUND

Three antidumping duty (AD) orders on light-walled rectangular carbon steel pipes and tubes (LWR)¹ are subject to these review investigations. Presented below is a tabulation that lists the AD orders on this product.

Country	Order date
Singapore	November 13, 1986
Taiwan	March 27, 1989
Argentina	May 26, 1989

On May 3, 1999, the U.S. International Trade Commission (Commission) instituted five-year reviews concerning the subject orders. On August 5, 1999, the Commission determined that full reviews should proceed to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time (64 FR 45276, August 19, 1999). Detailed information relating to the background of these reviews is provided in the following tabulation.

¹ The Commission requested information on light-walled rectangular carbon steel pipes and tubes (LWR) in its Notice of Institution of Five-Year Reviews, defined as "rectangular welded carbon steel pipes and tubes having less than 0.156{-}inch {3.96 mm} wall thickness . . ." 64 FR 23679, 23681, May 3, 1999. The scope of the reviews on these subject products as defined by Commerce is presented in "The Subject Products," *infra*.

Date	Action	Federal Register citation¹
May 3, 1999	Commission's institution of five-year reviews	64 FR 23679
August 5, 1999	Commission's determination to conduct full five-year reviews ²	64 FR 45276, August 19, 1999
September 28, 1999	Commission's scheduling of full five-year reviews	64 FR 54354, October 6, 1999
December 3, 1999	U.S. Department of Commerce's final results of expedited reviews	(³)
March 9, 2000	Commission's hearing ⁴	(⁵)
(⁶)	Commission's revised schedules for the subject five-year reviews	(⁶)
June 22, 2000	Commission's vote	(⁵)
July 26, 2000	Commission's determinations sent to Commerce	(⁵)
<p>¹ The cited <i>Federal Register</i> notices are presented in app. A.</p> <p>² The explanation of the Commission's determination on adequacy is presented in app. A.</p> <p>³ The <i>Federal Register</i> citations are 64 FR 67870 (Argentina), 64 FR 67868 (Singapore), and 64 FR 67871 (Taiwan). All notices appeared on December 3, 1999.</p> <p>⁴ A list of witnesses appearing at the public hearing is presented in app. B.</p> <p>⁵ Not applicable.</p> <p>⁶ On March 24, 2000, the Commission revised its schedule (65 FR 17307, March 31, 2000). Subsequently, on June 8 and 13, 2000, the record was reopened with respect to oil country tubular goods (65 FR 37409, June 14, 2000; 65 FR 38000, June 19, 2000).</p>		

THE ORIGINAL INVESTIGATIONS

Light-Walled Rectangular Pipes and Tubes (LWR) from Singapore (Inv. No. 731-TA-296)

The subject order results from affirmative determinations by the Commission and Commerce to a petition filed on November 13, 1985, by counsel for the individual producer members of the standard pipe and tube subcommittee, the structural tubing subcommittee, and the mechanical tubing subcommittee of the Committee on Pipe and Tube Imports (CPTI) alleging that LWR from Singapore was being, or was likely to be, sold in the United States at less than fair value (LTFV) and that these imports were materially injuring, or threatened material injury to, a U.S. industry.²

LWR from Argentina and Taiwan (Invs. Nos. 731-TA-409 and 410)

The subject orders result from affirmative determinations by the Commission and Commerce to petitions filed on June 6, 1988, by counsel for the individual producer members of the mechanical tubing subcommittee of the CPTI alleging that LWR from Argentina and Taiwan were being, or were likely to

² At the time of filing, petitions were submitted covering standard pipe from the Philippines and Singapore, as well as LWR from Singapore. The Commission made final negative determinations with respect to standard pipe from both countries.

be, sold in the United States at LTFV and that these imports were materially injuring, or threatened material injury to, a U.S. industry.

SUMMARY DATA

A summary of data collected in these reviews is presented in appendix C, table C-3. U.S. industry data are based on questionnaire responses from 13 domestic producers³ participating in these reviews that currently account for approximately 80–90 percent of estimated U.S. shipments of LWR.⁴ U.S. import data are based on official Commerce statistics and on questionnaire responses of importers. Available comparative data from the original investigations and the current reviews for LWR are presented in table LWR-I-1. Historical U.S. import data for the subject countries is presented in appendix D.

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Information on the statutory criteria regarding AD and countervailing duty (CVD) reviews, including the economic factors the Commission considers, was presented in the “Statutory Criteria and Organization of the Report” section of CIRC-I of this report and will not be repeated here.

Information obtained during the course of these reviews that relates to the economic factors is presented throughout this report. Responses by U.S. producers, importers, and purchasers of LWR and LWR producers in Argentina, Singapore, and Taiwan to a series of questions concerning the significance of the existing AD orders and the likely effects of their revocation are presented in appendix E.

³ Additionally, one domestic producer of circular welded carbon steel pipes and tubes that is participating in these reviews, ***, stated that it makes LWR but in ***, an amount that would not affect indicators in these reviews.

⁴ To determine the size of the U.S. LWR industry, Commission staff conferred with ***. *** gathered data for 1999 (the first year for which such data are available) on the LWR industry, as presented below (table LWR-I-FN4).

Table LWR-I-FN4
Light-walled rectangular carbon steel pipes and tubes: U.S. producers' shipments, 1999

* * * * *

Coverage based on a comparison of annualized 1999 shipments reported in Commission questionnaires with 1999 data provided above would result in an industry coverage figure of more than 100 percent.

Commission staff believes, however, based on its own research and information submitted by ***, that other U.S. pipe and tube producers may be producing LWR, including several companies that did not respond to the Commission's questionnaire, such as ***. Consequently, the coverage estimate of 80–90 percent is based on the apparent distribution of production capacity among responding LWR producers inferred to potential LWR producers that did not respond.

Table LWR-I-1
Light-walled rectangular carbon steel pipes and tubes: Comparative data from the original investigations on Argentina, Singapore, and Taiwan and the current reviews, 1983-85, 1985-87, 1997-98, January-September 1998, and January-September 1999

Item	(Quantity in short tons, value in \$1,000, unit values are per short ton)																			
	Calendar year																			
	1983	1984	1985 ¹	1985 ¹	1986	1987	1987	1988	1988	1988	1988	1997	1997	1998	1998	1998	1998	1998	1998	1999
U.S. consumption quantity:																				
Amount	233,714	288,867	273,584	261,779	262,622	288,446	525,598	427,891	492,192											
Producers' share (percent)	65.6	63.8	69.5	68.1	73.5	72.1	72.2	71.7	66.9											
Importers' share (percent):																				
Argentina	(²)	(²)	(²)	(³)	0.7	5.1	0.0	0.0	0.0											
Singapore	0.0	0.2	1.0	(²)	(²)	(²)	0.0	0.0	0.0											
Taiwan	(²)	(²)	(²)	0.2	3.8	5.1	0.0	(³)	(³)											
All subject countries ⁴	0.0	0.2	1.0	0.2	4.5	10.2	0.0	(³)	(³)											
All other ⁵	34.4	36.0	29.5	31.7	22.0	17.7	27.8	28.3	33.1											
Total imports	34.4	36.2	30.5	31.9	26.5	27.9	27.8	27.6	33.1											
U.S. imports from—																				
Argentina:																				
Quantity	(²)	(²)	(²)	121	1,846	14,744 ⁶	0	0	0											
Value	(²)	(²)	(²)	45 ⁶	751 ⁶	6,170 ⁶	0	0	0											
Unit value	(²)	(²)	(²)	\$372	\$407	\$418	(⁷)	(⁷)	(⁷)											

Footnotes appear at the end of the table.

Table LWR-1-1—Continued
Light-walled rectangular carbon steel pipes and tubes: Comparative data from the original investigations on Argentina, Singapore, and Taiwan and the current reviews, 1983–85, 1985–87, 1997–98, January–September 1998, and January–September 1999

Item	(Quantity in short tons, value in \$1,000, unit values are per short ton)											
	Calendar year										January–September	
	1983	1984	1985 ¹	1985 ¹	1986	1987	1987	1987	1987	1988	1988	1999
U.S. imports from—(Continued)												
Singapore:												
Quantity	0	572	2,737	(²)	(²)	(²)	(²)	(²)	(²)	0	0	0
Value	0	477	886	(²)	(²)	(²)	(²)	(²)	(²)	0	0	0
Unit value	(¹)	\$834	\$324	(²)	(²)	(²)	(²)	(²)	(²)	(¹)	(¹)	(¹)
Taiwan:												
Quantity	(²)	(²)	(²)	406	9,975	14,770	0	47	31	38	31	38
Value	(²)	(²)	(²)	216 ⁶	4,208 ⁶	6,462 ⁶	0	86	57	63	57	63
Unit value	(²)	(²)	(²)	\$532	\$422	\$437	(¹)	\$1,819	\$1,843	\$1,687	\$1,843	\$1,687
All subject countries ⁴												
Quantity	0	572	2,737	527	11,821	29,514	0	47	31	38	31	38
Value	0	477	886	261 ⁶	4,959 ⁶	12,632 ⁶	0	86	57	63	57	63
Unit value	(¹)	\$834	\$324	\$495	\$420	\$428	(¹)	\$1,819	\$1,843	\$1,687	\$1,843	\$1,687
Other sources:												
Quantity ⁵	80,382	103,856	80,741	82,951	57,783	51,044	146,220	159,881	118,237	162,859	118,237	162,859
Value ⁵	28,800	38,893	31,286	38,314 ⁶	26,515 ⁶	25,007 ⁶	73,459	78,263	58,815	73,409	58,815	73,409
Unit value	\$359	\$374	\$387	\$462	\$459	\$490	\$502	\$490	\$497	\$451	\$497	\$451

Footnotes appear at the end of the table.

Table LWR-I-1—Continued
Light-walled rectangular carbon steel pipes and tubes: Comparative data from the original investigations on Argentina, Singapore, and Taiwan and the current reviews, 1983–85, 1985–87, 1997–98, January–September 1998, and January–September 1999

Item	(Quantity in short tons, value in \$1,000, unit values are per short ton)											
	Calendar year										January–September	
	1983	1984	1985 ¹	1985 ¹	1986	1987	1987	1987	1988	1988	1988	1999
U.S. imports from—(Continued)												
All sources:												
Quantity	80,382	104,428	83,478	83,478	69,604	80,558	146,220	159,928	118,268	162,897		
Value	28,800	39,370	32,172	38,575 ⁶	31,474 ⁶	37,639 ⁶	73,459	78,349	58,872	73,473		
Unit value	\$358	\$377	\$385	\$462	\$452	\$468	\$502	\$490	\$498	\$451		
U.S. producers ¹ —												
Capacity (short tons)	245,915	273,205	281,495	281,391	325,721	320,361	567,640	599,170	447,584	494,793		
Production (short tons)	150,494	176,679	187,219	179,172	194,917	212,027	382,215	403,669	310,626	335,015		
U.S. shipments (quantity)	153,332	184,438	190,107	178,301	193,018	207,888	379,378	404,970	309,623	329,295		
Export shipments (quantity)	***	***	***	***	***	***	***	***	***	***		
Production workers	408	436	439	312	404	426	528	549	553	590		
Hours worked (1,000s)	748	822	818	595	735	775	1,166	1,197	1,015	1,091		
Net sales (value) ⁸	11,827	13,733	14,063	64,399	77,418	93,000	116,251	112,005	88,643	82,849		
Operating income/sales (percent) ⁸	(1.7)	3.5	(3.4)	4.6	2.6	3.0	9.4	9.4	9.7	10.6		

¹ Historical data is taken from two USITC staff reports, both of which gathered data for 1985. Each report's figures for 1985 are presented here for historical internal consistency purposes.

² Nonsubject country in applicable original investigation time period.

³ Less than 0.05 percent.

⁴ Figures only represent subject countries during the relevant periods.

⁵ In 1998, imports from Mexico accounted for 48.3 percent of nonsubject imports by quantity (45.4 percent by value), approximately 13.7 percent of U.S. consumption quantity.

In 1998, Canada accounted for 37.5 percent of nonsubject imports by quantity (41.0 percent by value), approximately 10.6 percent of U.S. consumption quantity.

⁶ Value figures calculated c.i.f. duty-paid. Quantity figures for Argentina for 1987 were amended in December 1987, adding 1,664 short tons, valued at \$748,418.

⁷ Not applicable.

⁸ Data for 1983–85 based on responses from 3 companies; data for 1997, 1998, and the 1998 and 1999 interim periods based on responses from 8 companies.

Notes—For unadjusted pre- and post-order import figures for all subject countries in the current reviews, see app. D. Because of rounding, figures may not add to the totals shown; unit values and shares for 1997, 1998, and the 1998 and 1999 interim periods are computed from the unrounded data; for 1983–85, from the rounded figures; and for 1985–87, from the figures provided in the report.

Sources: Compiled from data submitted in response to Commission questionnaires: official U.S. Department of Commerce statistics; and staff reports for *Certain Light-Walled Rectangular Pipes and Tubes from Taiwan*, Inv. No. 731-TA-410 (Final) (March 6, 1989) and *Certain Welded Carbon Steel Pipes and Tubes from the Philippines and Singapore*, Invs. Nos. 731-TA-293, 294, and 296 (Final) (October 14, 1986).

NATURE AND EXTENT OF SALES AT LTFV

On December 3, 1999, Commerce published its notices of the final results of its expedited reviews of the subject AD orders on LWR. As a result of its reviews, Commerce found that revocation of the AD orders would be likely to lead to continuation or recurrence of dumping at the margins presented in table LWR-I-2. The company-specific and all-others dumping margins shown are from the original investigations because Commerce found that the margins calculated in the original investigations were probative of the behavior of the producers and exporters of the subject products without the discipline of the orders. Commerce has not made any duty-absorption determinations in any of these cases.

Table LWR-I-2

Light-walled rectangular carbon steel pipes and tubes: U.S. Department of Commerce's final results of review of the subject antidumping duty orders

Country and <i>Federal Register</i> citation	Companies and margins (<i>percent</i>)
Argentina (64 FR 67870, December 3, 1999)	All producers/exporters 56.26
Singapore (64 FR 67868, December 3, 1999)	Steel Tubes of Singapore (PTE) 12.03
	All others 12.03
Taiwan (64 FR 67871, December 3, 1999)	Ornatube Enterprise 5.51
	Vulcan Industrial 40.97
	Yieh Hsing Industries 40.97
	All others 29.15

Source: Compiled from Commerce's *Federal Register* notices.

A history of the original AD orders and subsequent administrative reviews is presented in appendix F. The U.S. Customs Service did not collect any duties or record any value for entries made under the AD orders on LWR from Argentina, Singapore, and Taiwan in fiscal years 1994 through 1998.

THE SUBJECT PRODUCTS

Although the imported product subject to the AD orders under review is contained within a group of products broadly termed "certain pipe and tube," LWR is a distinct category of pipe and tube, defined by specific size and quality parameters and possibly having additional subgroups of similar products. Commerce has published the definitions applicable to each country for this product in various *Federal Register* notices, the most recent of which are detailed below.

LWR from Singapore

The imported products subject to the AD order on LWR from Singapore have been defined by Commerce as:

" . . . light-walled rectangular pipes and tubes ('rectangular pipes') from Singapore, which are mechanical pipes and tubes or welded carbon steel pipes and tubes of rectangular (including square) cross-section, having a wall thickness of less than 0.156 inch {3.96 mm}.

Light-walled rectangular pipes and tubes are currently classifiable under item number 7306.60.5000 of the Harmonized Tariff Schedule of the United States {HTS}.”⁵

LWR from Argentina

The imported products subject to the AD order on LWR from Argentina have been defined by Commerce as:

“... light-walled welded carbon steel tubing of rectangular (including square) cross-section, having a wall thickness of less than 0.156 inch {3.96 mm}, from Argentina. The subject merchandise is classifiable under item 7306.60.50.00 of the Harmonized Tariff Schedule of the United States.”⁶

LWR from Taiwan

The imported products subject to the AD order on LWR from Taiwan have been defined by Commerce as:

“... light-walled welded carbon steel pipes and tubes of rectangular (including square) cross-section having a wall thickness of less than 0.156 inch {3.96 mm}. The subject merchandise is classifiable under item number 7306.60.50.00 of the Harmonized Tariff Schedule of the United States.”⁷

DOMESTIC LIKE PRODUCT ISSUES

The Subject Product

The imported pipe and tube product subject to these review investigations may be classified as LWR with a wall thickness less than 0.156 inches. This product enters under HTS subheading 7306.60.50 at a column 1-general duty rate of 3.2 percent *ad valorem*.

The Domestic Like Product

In its original determinations, the Commission found a single like product consisting of rectangular welded carbon steel pipes and tubes having less than 0.156 inch wall thickness.

⁵ 64 FR 67868, December 3, 1999. Although the HTS provisions are provided for convenience and customs purposes, the written description remains dispositive.

⁶ 64 FR 67870, December 3, 1999. Although the HTS provisions are provided for convenience and customs purposes, the written description remains dispositive.

⁷ 64 FR 67871, 67872, December 3, 1999, as corrected by 65 FR 11763, March 6, 2000. Although the HTS provisions are provided for convenience and customs purposes, the written description remains dispositive.

Physical Characteristics and Uses

In common usage, and generally in the Harmonized Tariff Schedule, the terms “pipes,” “tubes,” and “tubular products” may be used interchangeably. In industry nomenclature, however, a distinction is made between pipes and tubes. Pipes are circular tubular products and are produced in standard sizes that are defined by a nominal diameter and wall thickness⁸ and designed to be used with standard pipe fittings. Pipes are normally used as a conduit for liquids or gases. Tubing, on the other hand, may be of any shape, including circular, square, rectangular, and other shapes. The size of tubing is defined by its actual outside diameter (O.D.) (which may be the same as that of a standard size pipe) and its wall thickness.

Pipes and tubes are produced in various grades of carbon steel, alloy steel, and stainless steel and are distinguished by six end uses: standard pipe, line pipe, structural pipe and tubing, mechanical tubing, pressure tubing, and oil country tubular goods (OCTG). The American Iron and Steel Institute (AISI) defines these categories as follows:

STANDARD PIPE is ordinarily used for low-pressure conveyance of air, steam, gas, water, oil, or other fluids for mechanical applications. It is used primarily in machinery, buildings, sprinkler systems, irrigation systems and water wells rather than in pipe lines or utility distribution systems. It may carry fluids at elevated temperatures which are not subject to external heat applications. It is usually produced in standard diameters and wall thicknesses to ASTM (American Society for Testing and Materials) specifications.

LINE PIPE is used for transportation of gas, oil, or water generally in a pipeline or utility distribution system. It is produced to API (American Petroleum Institute) and AWWA (American Water Works Association) specifications.

STRUCTURAL PIPE AND TUBING is welded or seamless pipe and tubing generally used for structural or load-bearing purposes *above ground* by the construction industry, as well as for structural members in ships, trailers, farm equipment and other similar uses. It is produced in nominal wall thicknesses and sizes to ASTM specifications in round, square, rectangular or other cross-sectional shapes.

MECHANICAL TUBING is welded or seamless tubing produced in a large number of shapes of varied chemical composition in sizes 3/16 inch to 10¾ inches O.D. inclusive for carbon and alloy material. It is not normally produced to meet any specification other than that required to meet the end use. It is produced to meet exact O.D. and decimal wall thickness.

PRESSURE TUBING is used to convey fluids at elevated temperatures or pressures, or both, and is suitable to be subjected to heat applications. It is produced to exact O.D. and decimal wall thickness in sizes ½ inch to 6 inches O.D. inclusive, usually to specifications such as ASTM.

⁸ The size of all pipe is identified by the nominal pipe size (NPS), which is a dimensionless designator that has been substituted for such traditional terms as “nominal diameter.” Pipe in nominal pipe sizes of ½ to 12 is based on a standardized O.D. that was originally selected so that pipe having a wall thickness that was typical of the period would have an inside diameter in inches approximately equal to the nominal size. For pipe in nominal sizes of 14 and larger, the O.D. is equal in inches to the nominal size.

OIL COUNTRY TUBULAR GOODS are pipe used in wells in oil and gas industries consisting of casing, tubing, and drill pipe.

A. Casing is the structural retainer for the walls of oil or gas wells and covers sizes 4½ to 20 inches O.D. inclusive.

B. Tubing is used within casing oil wells to convey oil to ground level and ordinarily includes sizes 1.050 to 4.500 inches O.D. inclusive.

C. Drill Pipe is used to transmit power to a rotary drilling tool below ground level and covers sizes 2¾ to 6⅝ inches O.D. inclusive.

Oil country goods are produced to API specifications.⁹

LWR is included in the structural and mechanical tubing categories and is produced by cold drawing a round tube into a rectangular cross-section. The round tube used as an input into this process can be manufactured by either welded or seamless processes. LWR is produced primarily in standard sizes such as (in inches) 1 by 1, 2 by 2, 3 by 2, etc., up to about 4 by 4. Sizes larger than 4 by 4 would normally have a wall thickness greater than 0.156 inches and, if so, would not be subject product. These products are generally produced to standard ASTM specification.

LWR is employed in a variety of end uses not involving the conveyance of liquids or gases. Main uses include fencing, window guards, cattle chutes, railings for construction and agricultural applications, and more decorative (but also functional) items such as furniture parts, athletic equipment, bicycles, lawn and garden equipment, store shelving, towel racks, and similar items. Although other, generally less expensive products, including steel angles, bars, rods, and channels can be used in place of LWR in many applications, their inferior strength-to-weight ratio serves to limit their usage in many other instances.¹⁰

Manufacturing Process

LWR is produced by rolling a round tube into rectangular shape. The electric resistance-welding (ERW) process is the most commonly used process. The starting material is steel sheet in coil form. The steel sheet is slit to the exact width to be formed into tubular form of the desired diameter.

The slit sheet is formed into tubular shape by passing it through a series of rollers while cold. The edges are then heated by electrical resistance¹¹ and welded by heat and pressure, without the addition of filler metal. Subsequent to welding, while still in the continuous processing line, rolls are used to form a round, welded tube into a square or rectangular tube.

The welding pressure causes some of the metal to be squeezed from the joint, forming a bead of metal on the inside and the outside of the tube. This bead, called a welding flash, may be trimmed from both the outside and the inside surfaces. Subsequent to welding, while still in the continuous processing

⁹ American Iron and Steel Institute. Instructions for Reporting Steel Shipment Statistics. January 1988.

¹⁰ *Light-Walled Rectangular Pipe and Tube from Mexico*, USITC Pub. 2892, May 1995, p. II-4.

¹¹ The heat for welding is generated by resistance of the steel to the flow of electric current. In one process, a low frequency (typically 60 to 360 hertz) is conducted to the strip edges by a pair of copper alloy discs which rotate as the pipe is propelled under them. A second variation uses high frequency current (in the range of 400 to 500 kilohertz) which enters the tubing through shoes which act as sliding contacts. An induction coil can also be used with the high frequency current to induce current in the edges of the steel. No direct contact between the induction coil and the tubing is required. American Iron and Steel Institute, *Steel Products Manual Steel-Specialty Tubular Products*, October 1980, pp. 19–20.

line, rolls are used to form the round, welded tube into a square or rectangular tube. The product is cooled and then cut at the end of the tube mill by a flying shear or saw to predetermined length.¹² Finishing operations on LWR may include galvanizing (coating with molten zinc by dipping) and end finishing.

Interchangeability and Customer and User Perceptions

Imported LWR may be considered to be interchangeable with domestic product for most applications. LWR products must meet common standards regarding materials, dimensions, and testing, established by consensus organizations. Manufacturing processes and technologies are similar throughout the world.

As stated elsewhere, LWR and circular welded carbon steel pipes and tubes can both be used in structural and mechanical tubing. They therefore can be used in fence tubing, structural pipe tubing, scaffolding, and framing. Although price and availability are the key considerations for the use or interchangeability of LWR and circular welded carbon steel pipes and tubes, design criteria for specific applications may limit their interchangeability. Section LWR-II contains additional information with regard to interchangeability.

Channels of Distribution

LWR is primarily sold by the producing manufacturers or the importers to warehousing distributors who, in turn, sell to consuming contractors or end users. Additional information on channels of distribution may be found in section LWR-II of this report.

U.S. MARKET PARTICIPANTS

U.S. Producers

Thirteen producers of LWR responded to the Commission's questionnaire with usable data. All U.S. LWR producers participating in these reviews oppose revocation of either all orders in these reviews or those orders on imported LWR against which they compete in the U.S. market, except for ***.

Among the 13 producers of LWR listed in table LWR-I-3, the three largest, ***, accounted for more than 53 percent of reported domestic LWR production in 1998.

Two LWR producers responded to the Commission's importers' questionnaire and reported nonsubject imports. *** reported it imported LWR from ***, and ***¹³ reported it imported LWR from ***. No other LWR producer reported that it imported LWR.

Maruichi American, a producer of circular welded carbon steel pipes and tubes and LWR, is *** owned by two Japanese companies, ***. Bull Moose, a producer of circular welded carbon steel pipes and tubes and LWR, is wholly owned by Caparo Industries, headquartered in the United Kingdom. Bull Moose is also related to Bull Moose Tube Ltd. of Canada, an exporter of nonsubject Canadian circular

¹² United States Steel, "Manufacture of Steel Tubular Products," in *The Making, Shaping, and Treating of Steel*, 10th ed. (Pittsburgh, PA: Herbick & Held, 1985), p. 1,029.

¹³ As previously mentioned, ***.

welded carbon steel pipes and tubes and LWR. Vest, a producer of LWR, is *** owned by two Japanese companies. Hannibal Industries, a producer of LWR, is ***.

Table LWR-I-3

Light-walled rectangular carbon steel pipes and tubes: U.S. producers, their primary plant locations, and share of reported 1998 production

Firm	Location	Share of reported 1998 production (percent)
Bull Moose	Missouri	***
California Steel and Tube	California	***
Dallas Tube	Texas	***
Ex-L-Tube	Missouri	***
Hanna Steel	Alabama	***
Hannibal Industries	California	***
Leavitt Tube	Illinois, Mississippi	***
Maruichi American	California	***
Northwest Pipe	Oregon, Texas, Louisiana	***
Parthenon Metal Works	Tennessee, Kentucky, Mississippi	***
Searing Industries	California	***
Vest	California	***
Western Tube & Conduit	California	***

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

U.S. Importers

Of the 11 importers of LWR that completed the Commission's importers' questionnaire, 6 are located in Texas and 3 are located in California. Four importers imported LWR exclusively, and seven importers imported LWR as well as circular welded carbon steel pipes and tubes and/or OCTG. *** reported LWR imports from the country of the foreign producer corporate parent. In 1997, 1998, and in the 1998 and 1999 interim periods, there were no reported imports of LWR from any subject country.

U.S. Purchasers

The Commission received 37 questionnaires with usable data from U.S. purchasers of certain pipe and tube, 13 of which reported purchases of LWR. No LWR purchaser reported purchases of subject LWR, and four did not provide any purchases data. Seven purchasers are located in Texas/Oklahoma/Louisiana, and three purchasers are located in California. Six of 13 purchasers of LWR purchased imported LWR, with Mexico being the most prevalent reported foreign source.

APPARENT U.S. CONSUMPTION

Apparent U.S. consumption by quantity of LWR rose by 7.5 percent from 1997 to 1998, while producers' U.S. shipments rose by 6.7 percent during the same period. When comparing the 1998 and 1999 interim periods, apparent U.S. consumption by quantity was higher by 15.0 percent in the 1999 interim period while producers' U.S. shipments were 6.4 percent higher (table LWR-I-4).

Table LWR-I-4

Light-walled rectangular carbon steel pipes and tubes: U.S. shipments of domestic product; U.S. imports, by sources; and apparent U.S. consumption, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
	Quantity (short tons)			
U.S. producers' shipments	379,378	404,970	309,623	329,295
U.S. imports from—				
Argentina	0	0	0	0
Singapore	0	0	0	0
Taiwan	0	47	31	38
All subject countries	0	47	31	38
Other sources	146,220	159,881	118,237	162,859
Total imports	146,220	159,928	118,268	162,897
Apparent consumption	525,598	564,898	427,891	492,192
Value (\$1,000)				
U.S. producers' shipments	221,025	225,943	174,356	171,678
U.S. imports from—				
Argentina	0	0	0	0
Singapore	0	0	0	0
Taiwan	0	86	57	63
All subject countries	0	86	57	63
Other sources	73,459	78,263	58,815	73,409
Total imports	73,459	78,349	58,872	73,473
Apparent consumption	294,483	304,292	233,228	245,151
Note—Because of rounding, figures may not add to the totals shown.				
Source: Compiled from data submitted in response to Commission questionnaires and official U.S. Department of Commerce statistics.				

U.S. MARKET SHARES

U.S. producers' share of domestic consumption by quantity and value of LWR fell less than 1 percentage point from 1997 to 1998 and was approximately 5 percentage points lower in the 1999 interim period than in the 1998 interim period (table LWR-I-5).

Table LWR-I-5
Light-walled rectangular carbon steel pipes and tubes: Apparent U.S. consumption and market shares, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
	Quantity (short tons)			
Apparent consumption	525,598	564,898	427,891	492,192
	Value (\$1,000)			
Apparent consumption	294,483	304,292	233,228	245,151
	Share of quantity (percent)			
U.S. producers' shipments	72.2	71.7	72.4	66.9
U.S. imports from—				
Argentina	0.0	0.0	0.0	0.0
Singapore	0.0	0.0	0.0	0.0
Taiwan	0.0	(¹)	(¹)	(¹)
All subject countries	0.0	(¹)	(¹)	(¹)
Other sources	27.8	28.3	27.6	33.1
Total import shipments	27.8	28.3	27.6	33.1
	Share of value (percent)			
U.S. producers' shipments	75.1	74.3	74.8	70.0
U.S. imports from—				
Argentina	0.0	0.0	0.0	0.0
Singapore	0.0	0.0	0.0	0.0
Taiwan	0.0	(¹)	(¹)	(¹)
All subject countries	0.0	(¹)	(¹)	(¹)
Other sources	24.9	25.7	25.2	29.9
Total import shipments	24.9	25.7	25.2	30.0
¹ Less than 0.05 percent.				
Note—Because of rounding, figures may not add to the totals shown.				
Source: Compiled from data submitted in response to Commission questionnaires and official U.S. Department of Commerce statistics.				

LWR-II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

INTRODUCTION

Hot-rolled steel used as raw material accounts for the largest share of cost in the production of light-walled rectangular carbon steel pipes and tubes (LWR). A majority of responding domestic producers report that the costs of production, and selling prices, are directly tied to the price of steel. Most responding domestic producers and purchasers of LWR report that demand is relatively constant, or that demand moves with trends in construction and the overall economy.

U.S. MARKET SEGMENTS, CHANNELS OF DISTRIBUTION, AND MARKET STRUCTURE

Domestic producers of LWR report that the majority of sales are made to distributors. In interim 1999, responding domestic producers of LWR reported that approximately two-thirds of sales were made to distributors, and one-third to end users. There were no reported sales to processors or other types of customers in any of the periods reported (see table LWR-II-1). A small volume of LWR is consumed by domestic producer, *** in the production of ***. Internal consumption accounted for *** percent of reported domestic production in 1998. Domestic LWR production is concentrated on the West Coast. Six of 10 responding domestic producers that provided data on market areas report that the market area served is predominantly the West Coast, and only one domestic producer of LWR reports that it serves the entire U.S. market.

There were no reported imports of subject LWR in the period for which data were collected. Importers of LWR from nonsubject countries report that most sales are made to distributors, with the balance of sales to end users. Five importers of nonsubject LWR provided information on market areas served. Three serve the southwest region, one serves the West Coast, and one the Los Angeles area only. There was no reported internal consumption of LWR by importers, and no reported sales to processors, or other types of customers.

Table LWR-II-1

Light-walled rectangular carbon steel pipes and tubes: Shares of domestic U.S. commercial shipments, by customer types, 1997-98, January-September 1998, and January-September 1999

Period	Distributors	End users
1997	70.3%	29.7%
1998	66.6%	33.4%
January-September 1998	66.8%	33.2%
January-September 1999	65.9%	34.1%

Source: Compiled from responses to Commission questionnaires.

U.S. SUPPLY

Domestic Production

Reported annual domestic capacity and capacity utilization for the production of LWR changed little over the period for which data were collected. End-of-period inventories decreased from 1997 to 1998, but were higher in interim 1999 than in interim 1999, both in absolute terms and as a share of shipments. Domestic production of LWR is highly concentrated. Of the 13 firms reporting production of LWR, the largest accounted for *** percent of reported production in 1998 and the three largest accounted for 53 percent.

Subject Imports

Since no responses to the foreign producer questionnaire have been received for subject countries, public data are presented in this report. Appendix G details public capacity data for production of tubular products in subject countries. LWR includes sizes up to six inches square,¹ therefore mills capable of producing welded carbon steel pipes and tubes up to six inches in diameter were considered to be capable of producing LWR. United Nations (UN) export data are presented in appendix H. UN data include all noncircular welded pipes and tubes classified under HTS item 7306.60, which includes welded pipe and tube products with noncircular cross section, including those with wall thickness greater than 0.156 inches, and alloy steel as well as carbon steel. No data were reported by foreign producers of subject LWR and no imports or purchases of subject LWR were reported by responding U.S. importers or purchasers.

There are 14 firms in Argentina with the capacity to produce welded carbon steel pipes and tubes in the size range of LWR. Rated total capacity for eight of these firms with publicly available capacity data totals 848,000 short tons per year. An additional six firms are reported to have the capacity to produce welded carbon steel pipes and tubes which may include LWR, but did not report capacity.² Information received from the U.S. embassy in Buenos Aires, Argentina provided data from the Pipes and Tubes Manufacturers Association in Argentina. Production of noncircular welded pipes and tubes in 1998 was 264,684 tons, and capacity was 356,000 tons. UN data indicate that Argentine exports of noncircular welded pipes and tubes increased from 1996 to 1998. In 1998, exports of noncircular welded pipes and tubes from Argentina to Bolivia, Brazil, Paraguay, and Uruguay totaled 9,910 tons.

There are four firms in Singapore with the capacity to produce welded carbon steel pipes and tubes in the size range of LWR. Total capacity is 123,000 tons annually. The largest export markets for noncircular welded pipes and tubes produced in Singapore in 1998 were Malaysia, Sri Lanka, Brunei, Hong Kong, and the Maldives Islands. According to UN statistics, exports of noncircular welded pipes and tubes from Singapore in 1998 totaled 2,583 tons.

There are 10 firms in Taiwan which have the capacity to produce welded carbon steel pipes and tubes in the size range of LWR. Rated capacity for five of these firms totals 697,000 tons per year. The five additional firms are reported to have the capacity to produce welded carbon steel pipes and tubes in the size range of LWR, or did not report a size range. There are no available export data on LWR from Taiwan.

¹ Final Staff Report to the Commission on Investigation No. 731-TA-410 (Final), *Light-walled Rectangular Pipes and Tubes from Taiwan*, p. A-6.

² See app. G.

Nonsubject Imports

Five domestic producers of LWR reported that importers of Mexican pipe and tube have been price leaders in the U.S. market. Four domestic producers of LWR (two of which also produce circular welded carbon steel pipes and tubes and did not report separately for the two products) reported that importers of Korean pipe and tube have been price leaders in the U.S. market. Importers of pipe and tube from India and South Africa were also reported by domestic producers to have been price leaders in the U.S. market in recent years.

Almost all U.S. imports of LWR in 1997 and 1998 were from nonsubject countries. Official statistics indicate that Mexico and Canada were the sources of the largest volumes of imports in recent years. Responding importers reported imports of LWR from nonsubject countries in 1998 totaling 159,881 tons. Responding purchasers of LWR reported purchases of 6,343 tons of LWR from nonsubject sources.

U.S. DEMAND

LWR is used in general welded fabrication and construction. End uses reported by domestic producers, importers, and purchasers include trailers, truck beds, ornamental fencing, and storage racks. Substitutes for LWR include circular welded carbon steel pipes and tubes, other pipe products, and other steel shapes such as channels or angles. Most responding producers and purchasers of LWR report that sales are consistent throughout the year. Two of 13 reporting purchasers report that purchases are lower in the winter, and one reports that purchases are higher in the winter.

Domestic producers, importers, and purchasers generally report that demand for LWR is dependent on the overall level of construction. The Bureau of the Census publishes estimates of total annual spending on construction and on residential and nonresidential buildings. Total construction spending in constant dollars was estimated to have been approximately 4.7 percent greater in 1998 than in 1997 (see appendix K for data on construction spending, 1984-98).

SUBSTITUTABILITY ISSUES

Purchases of LWR by reporting purchasers account for 12.8 percent of domestic producers' 1998 U.S. shipments on a value basis. There were no reported purchases of LWR from subject countries. Purchasers of LWR ranked price and quality as the most important factors in deciding from whom to purchase LWR, followed by availability and delivery. Responses from the 10 purchasers that answered the question are summarized in table LWR-II-2.

Table LWR-II-2
Light-walled rectangular carbon steel pipes and tubes: Ranking of factors in purchase decisions

Factor	Most important	Second most important	Third most important
	<i>Number of firms reporting</i>		
Quality	3	3	3
Price	4	1	4
Availability	1	5	0
Delivery	2	0	0
Other	0	1	3

Source: Compiled from responses to Commission questionnaires.

There were no reported purchaser comparisons between domestic LWR and that from Argentina. Comparisons between domestic LWR and imports from Singapore and from Taiwan were each reported by a single purchaser, although there were no reported purchases of the subject product. Domestic tubing was rated as superior in quality and product consistency, superior in availability, and inferior in price to imported tubing from both sources.

Domestic LWR was reported by a majority of responding purchasers to be comparable in quality and product consistency to that from nonsubject countries. Availability of domestic product was rated as superior by most purchasers, and most purchasers of LWR reported that the domestic product was inferior in price to nonsubject imports (table LWR-II-3).

Table LWR-II-3

Light-walled rectangular carbon steel pipes and tubes: Comparisons of domestic products to imports

Factor	U.S. vs Argentina			U.S. vs Singapore			U.S. vs Taiwan			U.S vs nonsubject		
	I	C	S	I	C	S	I	C	S	I	C	S
Availability	--	--	--	0	0	1	0	0	1	1	4	11
Delivery terms	--	--	--	0	0	1	0	0	1	0	8	8
Delivery time	--	--	--	0	0	1	0	0	1	1	4	11
Discounts offered	--	--	--	1	0	0	1	0	0	5	7	2
Lower price	--	--	--	1	0	0	1	0	0	12	2	2
Minimum qty requirements	--	--	--	0	0	1	0	0	1	2	11	3
Packaging	--	--	--	0	0	1	0	0	1	5	11	0
Product consistency	--	--	--	0	0	1	0	0	1	2	11	3
Product quality	--	--	--	0	0	1	0	0	1	2	12	2
Product range	--	--	--	0	1	0	0	1	0	2	9	5
Reliability of supply	--	--	--	0	0	1	0	0	1	1	6	9
Technical support/service	--	--	--	0	0	1	0	0	1	1	8	7
Transportation network	--	--	--	0	1	0	0	1	0	0	9	7
U.S. transportation costs	--	--	--	0	0	1	0	0	1	2	10	2

Source: Compiled from responses to Commission questionnaires.

All responding domestic producers and importers reported that domestically produced LWR and that imported from subject countries are interchangeable. All but one domestic producers reported that there are no differences between LWR produced domestically and that imported from subject countries other than price.

Some importers reported differences other than price between domestically produced LWR and that produced in nonsubject countries. *** reported that the quality of LWR produced in Korea is lower than LWR produced in the United States. *** noted that "Mexican tubing is a lot more inconsistent than the U.S.-made tubing. The shape is more inconsistent and the Mexican is less slightly in appearance.

Will be rusty and sometimes cambered.” Responses from domestic producers and U.S. importers on the interchangeability of domestic and subject LWR and the existence of differences other than price are summarized in tables LWR-II-4 and LWR-II-5.

Table LWR-II-4

Light-walled rectangular carbon steel pipes and tubes: Interchangeability between domestic and imported product

Comparison	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
U.S. vs Argentina	10	0	4	0
U.S. vs Singapore	9	0	4	0
U.S. vs Taiwan	10	0	4	0
U.S. vs nonsubject	10	0	7	2

Source: Compiled from responses to Commission questionnaires.

Table LWR-II-5

Light-walled rectangular carbon steel pipes and tubes: Existence of differences other than price between domestic and imported product

Comparison	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
U.S. vs Argentina	1	8	0	1
U.S. vs Singapore	1	7	0	1
U.S. vs Taiwan	1	8	0	1
U.S. vs nonsubject	0	9	2	4

Source: Compiled from responses to Commission questionnaires.

SIMULATION MODELING

Simulation models are frequently used by economists to estimate the likely effects of trade policy changes such as tariff increases/reductions or the imposition of quotas. Particular difficulties with the most common methodologies arise when imports are imperfect substitutes for domestic goods and their baseline market share is zero, or close to zero. The most significant problem relates to measuring the effects of policy changes as percentage changes from baseline levels. When the baseline value of the import market share is zero or close to zero, it is no longer possible to estimate changes in import levels as a percentage of the baseline values. The typical methodology employed by staff to estimate the likely impact of the recurrence or continuation of dumping in review investigations suffers from these limitations.

In 1999 there were no imports of LWR from Argentina or Singapore and a very low volume of imports from Taiwan. Given the very low level of subject imports, the use of a model such as the COMPAS model would be inappropriate. There is little direct evidence (in the form of questionnaire responses) on the ability of producers and exporters in Argentina, Singapore, and Taiwan to respond to price changes with exports of LWR to the U.S. market. No questionnaire responses were received from producers in Argentina, Singapore, or Taiwan which export to the U.S. market, and no questionnaire responses were received from U.S. importers or purchasers of LWR from subject countries.

In order to determine if producers and exporters in Argentina, Singapore, and Taiwan would respond to revocation of the current antidumping duty orders with renewed shipments of LWR at levels observed prior to the imposition of the orders, relevant market conditions in 1985-88 are compared with current conditions (table LWR-II-6).

Table LWR-II-6

Light-walled rectangular carbon steel pipes and tubes: Factors affecting the ability of foreign producers to respond to revocation of duties with increased shipments

Argentina	
Level of imports	In 1987, imports were 14,744 tons, accounting for 5.1 percent of apparent U.S. consumption. In 1988, imports were 24,260 tons. Imports were zero in 1998 and interim 1999.
Capacity	Estimated at 356,000 tons per year ¹
Capacity utilization	Estimated at 74.4 percent ¹
Other export markets	United Nations (UN) data indicate worldwide exports in 1998 of 9,910 tons. ²
Alternate products	Production of rectangular pipes and tubes is estimated to be 20.1 percent of total production of pipes and tubes. ¹
Singapore	
Level of imports	In 1985, imports were 2,737 tons, or 1.0 percent of apparent U.S. consumption. In 1986, imports were 5,408 tons. Imports were zero in 1998 and interim 1999.
Capacity	There are four firms with the capacity to produce tubular products in the size range of LWR. Total capacity is 123,000 tons annually.
Capacity utilization	Unknown
Other export markets	UN data indicate worldwide exports of 2,583 tons in 1998. ²
Alternate products	Unknown
Taiwan	
Level of imports	In 1987, imports were 14,770 tons, or 5.1 percent of apparent U.S. consumption. In 1988, imports were 19,462 tons. Imports were 47 tons in 1998 and 38 tons in interim 1999.
Capacity	There are 10 firms in Taiwan with the capacity to produce tubular products in the size range of LWR. Total capacity for the 5 firms with rated capacity is 697,000 tons annually.
Capacity utilization	A response from the American Institute in Taiwan (AIT) noted that overcapacity is the major problem with the pipe and tube industry in Taiwan. ³
Other export markets	Unknown.
Alternate products	Unknown.
¹ Argentine production and capacity data were provided by the Embassy of the United States, from statistics provided by the Camara de Fabricantes de Canos y Tubos de Acero (Pipes and Tubes Manufacturers Association); includes all rectangular tubing and may include structural tubing with circular cross section. ² United Nations export data are compiled at the 6-digit Harmonized Tariff Schedule level (7306.60) which may include alloy products, non-rectangular shapes, and products exceeding 0.156 inch wall thickness. ³ Response received in April 2000 from the AIT in response to a staff request for data on pipe and tube production in Taiwan.	
Sources: Argentine Pipes and Tubes Manufacturers Association, UN data, AIT.	

LWR-III: CONDITION OF THE U.S. INDUSTRY

Information in this section is based on the questionnaire responses of 13 producers participating in these reviews¹ that currently account for approximately 80–90 percent of estimated U.S. shipments of light-walled rectangular carbon steel pipes and tubes (LWR).²

U.S. PRODUCERS' CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

As table LWR-III-1 indicates, both production and production capacity for LWR increased during all periods under review. Production capacity increased at the same rate as production (5.6 percent) from 1997 to 1998, and when comparing the 1998 and 1999 interim periods, production capacity was 10.5 percent higher in the 1999 interim period while production was 7.9 percent higher. Capacity utilization remained fairly constant, in the high 60-percentile range, during all periods under review.

Table LWR-III-1
Light-walled rectangular carbon steel pipes and tubes: U.S. producers' capacity, production, and capacity utilization, 1997–98, January–September 1998, and January–September 1999

Item	Calendar year		January–September	
	1997	1998	1998	1999
Capacity (<i>short tons</i>)	567,640	599,170	447,584	494,793
Production (<i>short tons</i>)	382,215	403,669	310,626	335,015
Capacity utilization (<i>percent</i>)	67.3	67.4	69.4	67.7

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

Among responding domestic producers, five LWR producers reported production increases from 1997 to 1998, six reported production decreases, and one reported constant production levels. In addition, *** accounted for almost *** tons (**% percent), and *** accounted for approximately *** tons (about **% percent), of the 33,500-ton increase among producers with capacity increases from 1997 to 1998. *** accounted for **% percent and *** accounted for **% percent of the rise among producers with production increases from 1997 to 1998. *** accounted for **% percent of the decline among producers with production decreases from 1997 to 1998. *** reported the largest LWR capacities in all periods (** tons in 1998), although *** reported the largest production amounts in all periods (** tons in 1998).

¹ Additionally, one domestic producer of circular welded carbon steel pipes and tubes that is participating in these reviews, ***, stated that it makes LWR but in ***, an amount that would not affect indicators in these reviews.

² See LWR-I, fn. 4, for coverage calculations.

U.S. PRODUCERS' DOMESTIC SHIPMENTS, COMPANY TRANSFERS, AND EXPORT SHIPMENTS

The unit value per short ton of U.S. shipments of LWR fell by 4.2 percent from 1997 to 1998 and was 7.4 percent lower in the 1999 interim period compared with the 1998 interim period (table LWR-III-2). ***.³

Table LWR-III-2

Light-walled rectangular carbon steel pipes and tubes: U.S. producers' shipments, by type, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
	Quantity (short tons)			
Commercial shipments	***	***	***	***
Internal shipments	***	***	***	***
U.S. shipments	379,378	404,970	309,623	329,295
Export shipments	***	***	***	***
Total shipments	***	***	***	***
	Value (\$1,000)			
Commercial shipments	***	***	***	***
Internal shipments	***	***	***	***
U.S. shipments	221,025	225,943	174,356	171,678
Export shipments	***	***	***	***
Total shipments	***	***	***	***
	Unit value (per short ton)			
Commercial shipments	\$***	\$***	\$***	\$***
Internal shipments	***	***	***	***
U.S. shipments	583	558	563	521
Export shipments	***	***	***	***
Total shipments	***	***	***	***
Note—***. Unit values are calculated from the unrounded figures.				
Source: Compiled from data submitted in response to Commission questionnaires.				

³ ***.

U.S. PRODUCERS' INVENTORIES

Inventories ratios for LWR fell by almost 10 percent (about one percentage point) from 1997 to 1998 but remained largely steady in the 1999 interim period in comparison with the 1998 interim period ratios (table LWR-III-3).

Table LWR-III-3

Light-walled rectangular carbon steel pipes and tubes: U.S. producers' end-of-period inventories, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
Inventories (<i>short tons</i>)	42,960	42,295	44,653	47,908
Ratio to production (<i>percent</i>)	11.2	10.5	10.8	10.7
Ratio to U.S. shipments (<i>percent</i>)	11.3	10.4	10.8	10.9
Ratio to total shipments (<i>percent</i>)	***	***	***	***

Note—Partial-year inventory ratios are annualized.

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

U.S. PRODUCERS' EMPLOYMENT, WAGES, AND PRODUCTIVITY

All indicators of employment and wages increased during all periods under review. Productivity also increased from 1997 to 1998 and was higher in the 1999 interim period in comparison with the 1998 interim period. Although unit labor costs fell from 1997 to 1998, they were higher in the 1999 interim period than in the 1998 interim period (table LWR-III-4).

Table LWR-III-4

Light-walled rectangular carbon steel pipes and tubes: Average number of production and production-related workers, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
PRWs (<i>number</i>)	528	549	553	590
Hours worked (<i>1,000</i>)	1,166	1,197	1,015	1,091
Wages paid (<i>\$1,000</i>)	14,729	15,530	12,854	14,275
Hourly wages (<i>dollars per hour</i>)	12.63	12.98	12.66	13.08
Productivity (<i>short tons per 1,000 hours</i>)	327.8	337.3	306.0	306.9
Unit labor costs (<i>per short ton</i>)	38.54	38.47	41.38	42.61

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

FINANCIAL CONDITION OF THE U.S. INDUSTRY

Background

There were seven producers of LWR that provided usable financial information in response to the Commission's questionnaire.^{4 5} The majority of companies reported their financial data using a calendar year.⁶ Based on the questionnaire responses, no producer of LWR indicated the capacity to produce steel and hot-rolled coil feedstock.

Table LWR-III-5 presents aggregated income-and-loss data for the seven U.S. producers of LWR who provided usable financial information. *** did not provide usable financial data. *** also did not provide usable financial data. Those producers of LWR that provided usable financial data accounted for approximately 45 percent of reported 1998 production.

In 1997, the average operating ratio within the LWR product category was similar to that of the circular welded carbon steel pipes and tubes product category. Unlike the operating income ratio for the circular welded pipe and tube category, the operating income ratio of LWR increased somewhat during the period, with only one of the *** reporting negative operating income.

While LWR sales volume was stable throughout the period, total sales revenue drifted lower due to reduced unit sales values. Estimated cash flows from operations were relatively strong throughout the period due to positive operating income which, on an annualized basis, was higher in interim 1999 than full-year 1997.

The average unit sales and cost values per short ton are provided in table LWR-III-6. During the period examined, unit sales values declined in magnitudes similar to the circular welded carbon steel pipes and tubes product category. While *** reported nominal increases in unit sales value between 1997 and 1998, the majority of producers reported decreasing unit sales values throughout the period examined. Similar to the circular welded carbon steel pipes and tubes product category, reductions in unit raw material costs tended to offset reductions in unit sales value. As a result of reduced COGS, unit gross margins only declined somewhat in 1998 and were improved for interim 1999.

Company-specific financial information related to LWR is provided in table LWR-III-7. Among *** producers, *** reported increases in overall operating income in each of the periods examined, ***.⁷ Unlike most of the other producers, *** also reported ***. *** report an operating loss and that for only ***. With respect to ***, this contrasts with ***.

Capital Expenditures and Investment in Productive Facilities

The responding firms' data on capital expenditures and the value of their property, plant, and equipment are shown in tables LWR-III-8.

⁴ ***.

⁵ ***.

⁶ *** reported a fiscal year ending ***. *** reported a fiscal year ending ***.

⁷ As indicated in table LWR-III-8, *** had *** capital expenditures for any of the LWR producers during the period examined.

Table LWR-III-5

Results of operations of U.S. producers in the production of light-walled rectangular carbon steel pipes and tubes, fiscal years 1997–98, January–September 1998, and January–September 1999

Item	Fiscal year		January–September	
	1997	1998	1998	1999
	Quantity (short tons)			
Net sales	187,993	183,392	143,617	145,252
	Value (\$1,000)			
Net sales	116,251	112,005	88,643	82,849
Cost of goods sold	97,201	93,860	73,905	67,768
Gross profit	19,050	18,146	14,738	15,081
SG&A expenses	8,151	7,660	6,118	6,282
Operating income or (loss)	10,899	10,485	8,620	8,800
Interest expense	546	947	705	747
Other expense	339	233	195	241
Other income items	569	283	205	128
Net income or (loss)	10,583	9,589	7,926	7,939
Depreciation/amortization	967	1,034	728	858
Cash flow	11,550	10,623	8,654	8,797
	Ratio to net sales (percent)			
Cost of goods sold	83.6	83.8	83.4	81.8
Gross profit	16.4	16.2	16.6	18.2
SG&A expenses	7.0	6.8	6.9	7.6
Operating income or (loss)	9.4	9.4	9.7	10.6
Net income or (loss)	9.1	8.6	8.9	9.6
	Number of firms reporting			
Operating losses	***	***	***	***
Data	7	7	7	7
Note: Because of rounding, figures may not add to the totals shown.				
Source: Compiled from data submitted in response to Commission questionnaires.				

Table LWR-III-6

Results of operations (per short ton) of U.S. producers in the production of light-walled rectangular carbon steel pipes and tubes, fiscal years 1997-98, January-September 1998, and January-September 1999

Item	Fiscal year		January-September	
	1997	1998	1998	1999
	Unit value (per short ton)			
Net sales	\$618	\$611	\$617	\$570
Cost of goods sold				
Raw materials	408	394	398	353
Direct labor	38	40	41	40
Other factory	71	77	76	73
Total cost of goods sold:	517	512	515	467
Gross profit	101	99	103	104
SG&A expenses	43	42	43	43
Operating income or (loss)	58	57	60	61
Source: Compiled from data submitted in response to Commission questionnaires.				

Table LWR-III-7

Results of operations of U.S. producers in the production of light-walled rectangular carbon steel pipes and tubes, by firm, fiscal years 1997-98, January-September 1998, and January-September 1999

* * * * *

Table LWR-III-8

Capital expenditures by firm, total value of assets, and R&D expenses of U.S. producers of light-walled rectangular carbon steel pipes and tubes, fiscal years 1997-98, January-September 1998, and January-September 1999

	*	*	*	*	*	*
Total capital expenditures	3,897	3,088	2,166	***		
Fixed assets:						
Total original cost	36,541	36,367	37,477	37,824		
Total book value	21,670	20,033	20,636	20,065		
Note: ***.						
Source: Compiled from data submitted in response to Commission questionnaires.						

LWR-IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

U.S. IMPORTS

Import data in table LWR-IV-1 were compiled from official U.S. Department of Commerce statistics. As the table indicates, combined imports from all three subject countries accounted for a very small percentage of all imports of light-walled rectangular carbon steel pipes and tubes (LWR) during the period of review. No importers provided data on subject imports during the periods under review.

Eleven importers of LWR provided usable questionnaire data that amounted to 12.8 percent of imports during the 1999 interim period based on official statistics. Six of these 11 importers are located in Texas. The three largest U.S. LWR importers in terms of quantity during the 1999 interim period were ***, accounting for almost 60 percent of reported imports. *** imported exclusively from ***, *** imported exclusively from ***, and *** imported from ***, all nonsubject countries.

Table LWR-IV-1
Light-walled rectangular carbon steel pipes and tubes: U.S. imports, by sources, 1997-98,
January-September 1998, and January-September 1999

Source	Calendar year		January-September	
	1997	1998	1998	1999
	Quantity (short tons)			
Argentina	0	0	0	0
Singapore	0	0	0	0
Taiwan	0	47	31	38
All subject countries	0	47	31	38
Other sources	146,220	159,881	118,237	162,859
Total	146,220	159,928	118,268	162,897
	Value (\$1,000)			
Argentina	0	0	0	0
Singapore	0	0	0	0
Taiwan	0	86	57	63
All subject countries	0	86	57	63
Other sources	73,459	78,263	58,815	73,409
Total	73,459	78,349	58,872	73,473

Footnotes appear at the end of the table.

Table LWR-IV-1—Continued

Light-walled rectangular carbon steel pipes and tubes: U.S. imports, by sources, 1997–98, January–September 1998, and January–September 1999

Source	Calendar year		January–September	
	1997	1998	1998	1999
	Unit value (per short ton)			
Argentina	(¹)	(¹)	(¹)	(¹)
Singapore	(¹)	(¹)	(¹)	(¹)
Taiwan	(¹)	\$1,819	\$1,843	\$1,687
All subject countries	(¹)	1,819	1,843	1,687
Other sources	\$502	490	497	451
Total	502	490	498	451
	Share of quantity (percent)			
Argentina	0.0	0.0	0.0	0.0
Singapore	0.0	0.0	0.0	0.0
Taiwan	0.0	(²)	(²)	(²)
All subject countries	0.0	(²)	(²)	(²)
	Share of quantity (percent)			
Other sources ³	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0
	Share of value (percent)			
Argentina	0.0	0.0	0.0	0.0
Singapore	0.0	0.0	0.0	0.0
Taiwan	0.0	0.1	0.1	0.1
All subject countries	0.0	0.1	0.1	0.1
Other sources	100.0	99.9	99.9	99.9
Total	100.0	100.0	100.0	100.0
¹ Not applicable. ² Less than 0.05 percent. ³ In 1998, imports from Mexico accounted for 48.3 percent of nonsubject imports by quantity (45.4 percent by value), and imports from Canada accounted for 37.5 percent of nonsubject imports by quantity (41.0 percent by value).				
Note—Unit values and shares are calculated from the unrounded data.				
Source: Compiled from official statistics of the U.S. Department of Commerce.				

U.S. IMPORTERS' INVENTORIES

No respondent reported inventories of any LWR from the subject countries during the periods under review. Mexico, Turkey, and Colombia were some of the countries from which inventories of nonsubject LWR were reported.

THE INDUSTRIES IN ARGENTINA, SINGAPORE, AND TAIWAN

Foreign industry capacity for producing welded carbon steel pipes and tubes was compiled from questionnaire responses and from industry directories. Data for only mills capable of producing product 6 inches or less in outside diameter are included. These data are shown in appendix G.

No LWR producers in Argentina, Singapore, or Taiwan responded to the Commission's questionnaires with usable data. In its response to the notice of institution in these reviews, counsel for U.S. producers provided no information on producers in Argentina, Singapore, or Taiwan.

Regarding Argentina,¹ the Commission sent a cable transmission to the U.S. embassy in Buenos Aires requesting information on the Argentine LWR industry. The embassy responded:

We were informed that the industry has no plans to expand production {or} its capacity. Production increased through 1998, but thereafter domestic demand, as well as exports, entered a slow period discouraging production.²

The U.S. embassy in Buenos Aires also sent information indicating the Argentine noncircular welded pipes and tubes industry possessed production capacity of 356,000 short tons and produced 264,684 short tons in 1998, for a capacity utilization rate of 74 percent.

As reported in appendix G, table G-1, Argentina has an estimated capacity to produce at least 848,000 short tons of welded carbon steel pipes and tubes, which could include LWR. As reported in appendix H, table H-2, Argentina exported 9,910 short tons of noncircular welded pipes and tube in 1998, which could include LWR.

Regarding Singapore, the Commission was not able to transmit its questionnaire successfully by facsimile to any producer identified by the Commission as a possible LWR producer. The Commission sent a cable transmission to the U.S. embassy in Singapore requesting information on the Singaporean LWR industry. The embassy responded:

The Singapore Trade Development Board (TDB) provided on March 23 the following response to our inquiry per reftel:

We wish to inform you that the company named in the USITC questionnaire, i.e., Steel Tubes of Singapore,⁽³⁾ has been liquidated. There are no other exporters of light-welded rectangular carbon steel

¹ For Argentina, the Commission identified three names and fax numbers of possible light-walled rectangular carbon steel pipes and tubes (LWR) producers. Questionnaires were successfully transmitted to all, two of which—***—responded that they did not produce or export the subject product.

² Response of U.S. embassy in Buenos Aires, Argentina, April 11, 2000.

³ Steel Tubes of Singapore is the only Singaporean company for which Commerce found a company-specific dumping margin (12.03 percent, identical to the all other rate) in its final results of review (64 FR 67868, December 3, 1999).

pipes and tubes (LWR) to the U.S. In fact there were no exports of this product to the U.S. in 1998 and 1999.⁴

As reported in appendix G, table G-6, Singapore has an estimated capacity to produce 123,000⁵ short tons of welded carbon steel pipes and tubes, which could include LWR. As reported in appendix H, table H-2, Singapore exported 2,583 short tons of noncircular welded pipes and tubes in 1998, which could include LWR.

Regarding Taiwan, the Commission identified three possible LWR producers. Questionnaires were successfully transmitted to all companies; none responded. The Commission sent a cable transmission to the American Institute in Taiwan (AIT) requesting information on the Taiwanese LWR industry. The AIT responded with information on the Taiwanese steel pipe industry in general and not on the Taiwanese LWR industry specifically, noting that “the major problem in Taiwan’s steel pipe and tube industry is over-capacity.”⁶

As reported in appendix G, table G-7, Taiwan has an estimated capacity to produce at least 697,000 short tons of welded carbon steel pipes and tubes of sizes which could include LWR. Commission staff was unable to obtain data on Taiwanese exports because Taiwan is not a UN member.

⁴ Response of U.S. embassy in Singapore, March 27, 2000.

⁵ Includes published capacity of 55,000 short tons attributable to Steel Tubes of Singapore. See app. G, table G-6.

⁶ Response of American Institute in Taiwan, April 2000.

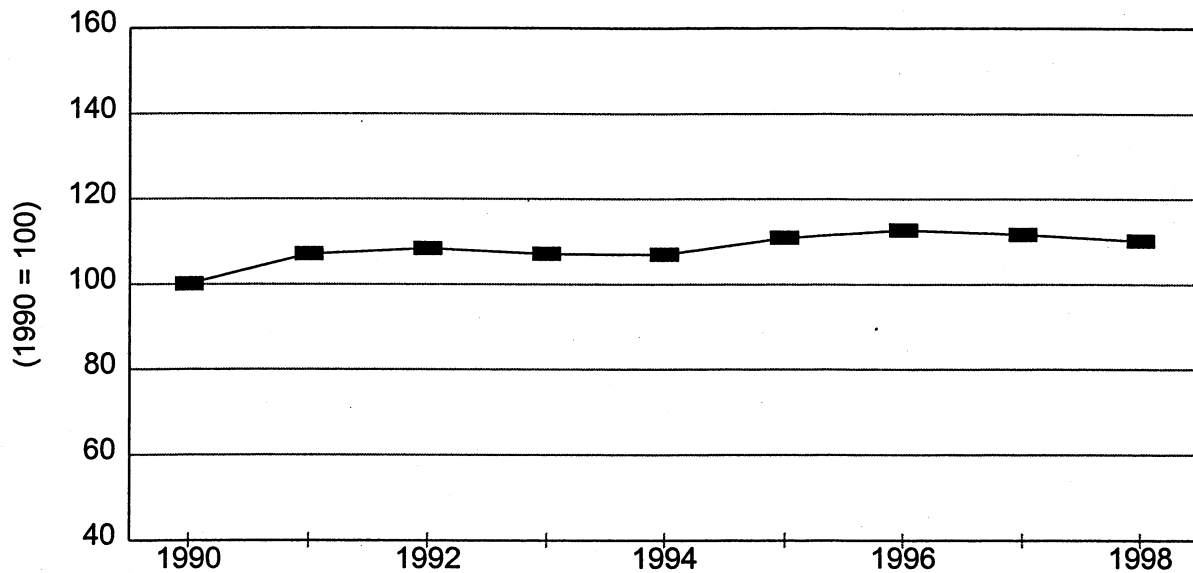
LWR-V: PRICING AND RELATED INFORMATION

EXCHANGE RATES

Antidumping orders subject to these reviews include those covering imports of light-walled rectangular carbon steel pipes and tubes (LWR) from Argentina, Singapore, and Taiwan. The order covering imports from Singapore dates from 1986, and the orders on imports of LWR from Argentina and Taiwan from 1989.

Data on the exchange rate of the Argentine peso prior to 1990 are not comparable to later years. Since 1990, the real value of the Argentine peso relative to the U.S. dollar has increased slightly to approximately 10 percent above the 1990 relative value (see figure LWR-V-1).

Figure LWR-V-1
Index of the real exchange rate of the Argentine peso relative to the U.S. dollar, 1990-98

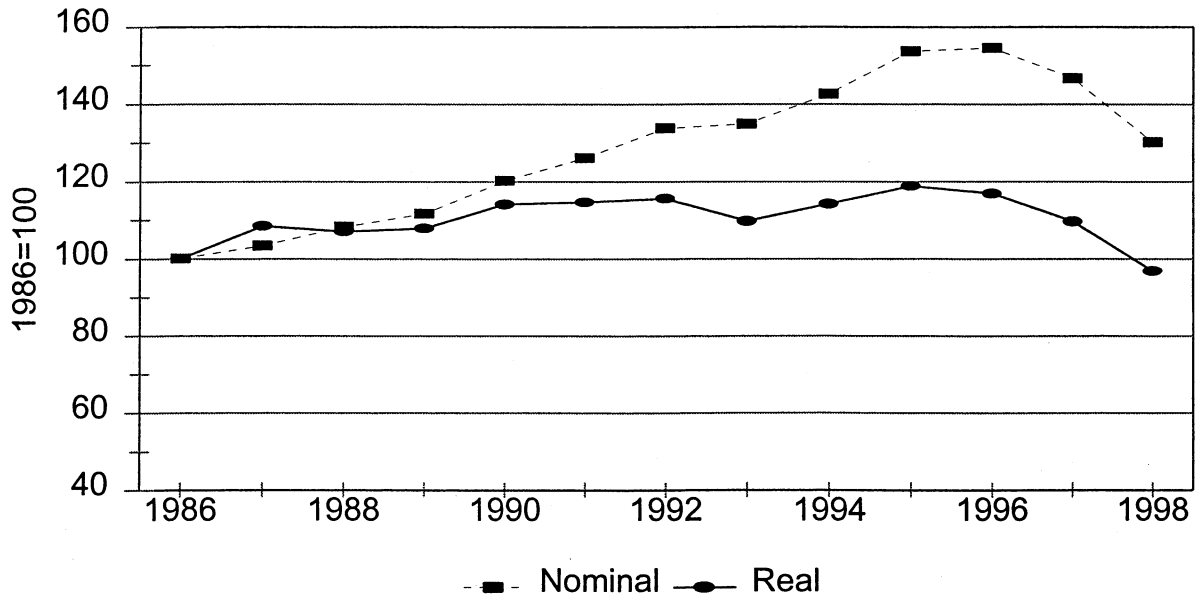


Source: International Monetary Fund, International Financial Statistics, 1999 Yearbook.

The real annual average value of the Singapore dollar relative to the U.S. dollar first irregularly increased, to a high, in 1995, approximately 19 percent above its real 1986 value (see figure LWR-V-2), then declined rapidly to be 3 percent below the 1986 relative value in 1998.

Figure LWR-V-2

Index of the exchange rate of the Singapore dollar relative to the U.S. dollar, 1986-98

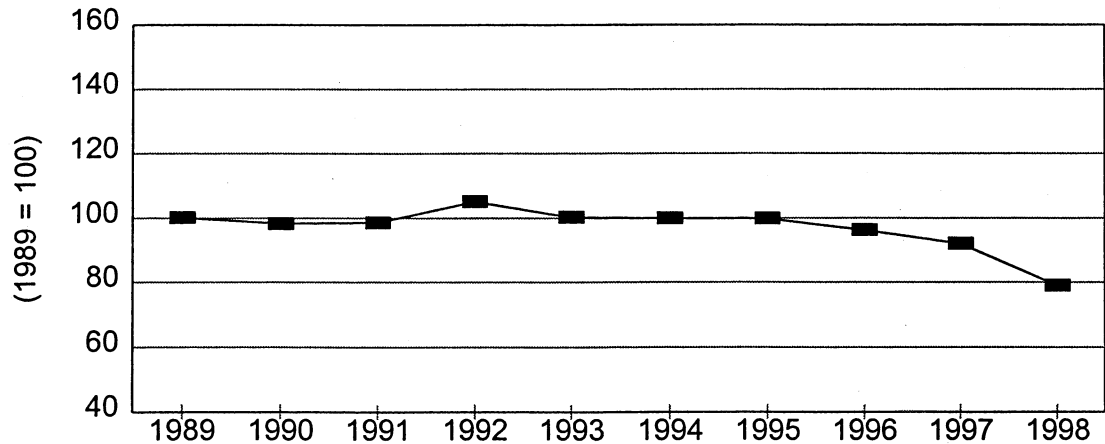


Source: International Monetary Fund, International Financial Statistics, 1999 Yearbook.

The average annual value of the Taiwan NT dollar relative to the U.S. dollar changed only slightly from 1989 to 1995. Since 1995, the relative value has declined steadily. In 1998 the value of the Taiwan NT dollar relative to the U.S. dollar was approximately 79 percent of the 1989 relative value. Overall, changes in exchange rates have tended to make LWR from Argentina more costly, and LWR from Singapore and Taiwan less costly since the dates of the orders.

Figure LWR-V-3

Index of the nominal exchange rate of the Taiwan NT dollar relative to the U.S. dollar, 1989-98



Source: Central Bank of China, www.cbc.gov.tw/www/eng/index.html retrieved December 1, 1999, and www.stls.frb.org/fred/data/exchange/extaus retrieved December 8, 1999.

OTHER FACTORS AFFECTING PRICING

Most responding domestic producers of LWR also produce standard or structural pipe. The primary raw material input in the production of LWR is carbon steel sheet. Domestic producers and importers generally report that the price of LWR is largely dependent on the cost of steel. Several domestic producers report that the price of raw materials has recently increased. In contrast, *** reports that raw materials prices are lower in the current period.

Eight of 13 responding purchasers of LWR report that U.S. inland freight is an important factor in purchases of subject product. Two of these purchasers report that U.S. inland freight on imported product is lower than for domestic product. Terms are generally 30 days for both domestic producers and importers. Five domestic producers and two importers report discounts for early payment.

PRICING PRACTICES

The only responding domestic producers of LWR with sales under contract of more than 10 percent were ***, with *** percent of sales under contract, respectively. No importers of LWR reported sales under contract. Most domestic producers quote prices f.o.b. the mill or warehouse. Most importers quote prices ex dock duty paid or f.o.b. warehouse. Most domestic producers and importers negotiate the price of each transaction. *** reported that sales were discounted from a list price. *** reported that sales prices were marked up from cost.

PRICE DATA

Pricing Products

Quarterly quantity and value information was requested for the first quarter of 1997 through the third quarter of 1999. Prices were requested for two LWR products. Products for which information was requested were:

Product 1.—ASTM A-513 (mechanical) or A-500 grade A or B (ornamental) tubing, carbon-welded, pickled and oiled, 1 inch square, 0.065 inch nominal wall thickness (± 10 percent), 20 foot to 24 foot mill lengths

Product 2.—ASTM A-513 (mechanical) or A-500 grade A or B (ornamental) tubing, carbon-welded, pickled and oiled, 1/2 inch square, 0.065 inch nominal wall thickness (± 10 percent), 20 foot to 24 foot mill lengths

Price Trends

Reported price data accounts for approximately 6.8 percent of domestic producers' reported U.S. LWR shipments in 1998 on a value basis. There were no reported sales or purchases of LWR from subject countries in the period of time for which data were requested. There were reported sales of domestically produced LWR to end users and distributors, and sales of nonsubject imports to distributors. Reported quantities and average prices of products are reported in tables LWR-V-1 and LWR-V-2. Graphs of these reported selling prices are presented in appendix N.

Nonsubject import sales to distributors undersold domestic products sold to distributors in every period for which average unit values could be compared. Margins of underselling for nonsubject imports

of product 1 were between 21.7 and 27.0 percent. Margins of underselling for nonsubject imports of product 2 sold to distributors were 6.5 to 15.8 percent.

Table LWR-V-1

Light-walled rectangular carbon steel pipes and tubes: Quantity, weighted-average U.S. selling prices, and margins of under/(over)selling of product 1 reported by domestic producers and importers of nonsubject product, by quarter, January 1997-September 1999

* * * * *

Table LWR-V-2

Light-walled rectangular carbon steel pipes and tubes: Quantity, weighted-average U.S. selling prices, and margins of under/(over)selling of product 2 reported by domestic producers and importers of nonsubject product, by quarter, January 1997-September 1999

* * * * *



UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC



**OIL COUNTRY TUBULAR GOODS
FROM CANADA AND TAIWAN**

Investigations Nos. 731-TA-276 and 277 (Review)

July 2000

OCTG-I: INTRODUCTION AND OVERVIEW

BACKGROUND

Two antidumping duty (AD) orders on oil country tubular goods (OCTG) are subject to these review investigations.¹ The order on OCTG from Canada was issued on June 16, 1986, and the order on OCTG from Taiwan was issued on June 18, 1986.

On May 3, 1999, the U.S. International Trade Commission (Commission) instituted five-year reviews concerning both subject orders. On August 5, 1999, the Commission determined that full reviews should proceed to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time (64 FR 45276, August 19, 1999). Detailed information relating to the background of these reviews is provided in the following tabulation.

Date	Action	<i>Federal Register</i> citation ¹
May 3, 1999	Commission's institution of five-year reviews ²	64 FR 23679
August 5, 1999	Commission's determination to conduct full five-year reviews ³	64 FR 45276, August 19, 1999
September 28, 1999	Commission's scheduling of full five-year reviews	64 FR 54354, October 6, 1999
December 1, 1999	Department of Commerce's final results of expedited reviews on OCTG from Canada and Taiwan	64 FR 67248
March 9, 2000	Commission's hearing ⁴	(5)
(6)	Commission's revised schedules for the subject five-year reviews	(6)
June 22, 2000	Commission's vote	(5)
July 26, 2000	Commission's determinations sent to Commerce	(5)

¹ The cited *Federal Register* notices are presented in app. A.

² In this notice, the Commission also instituted five-year reviews of the AD and countervailing duty (CVD) orders on OCTG from Israel (701-TA-271 and 731-TA-318). Because Commerce determined that no domestic party intended to participate in these sunset reviews, Commerce revoked the orders, effective January 1, 2000 (64 FR 40548, July 27, 1999). Accordingly, the Commission terminated its reviews of the AD and CVD orders on OCTG from Israel, effective July 27, 1999 (64 FR 42416, August 4, 1999).

³ The explanation of the Commission's determination on adequacy is presented in app. A.

⁴ A list of witnesses appearing at the public hearing is presented in app. B.

⁵ Not applicable.

⁶ On March 24, 2000, the Commission revised its schedule for the reviews (65 FR 17307, March 31, 2000). After the record had closed, however, certain information regarding OCTG was brought to the Commission's attention, and the Commission reopened its record to receive new information and comments regarding the new information about the agreement between Siderca SA of Argentina and the United Steelworkers of America concerning the planned reactivation of the steel tube mill located in Sault Ste. Marie, Ontario, Canada, formerly operated by Algoma Steel Inc. of Canada (65 FR 37409, June 14, 2000). Subsequently, the Commission reopened its record a second time to receive new information and comments regarding the new information on the announced merger of Maverick Tube Corp. of the United States and Prudential Steel Ltd. of Canada (65 FR 38000, June 19, 2000).

¹ Antidumping duty orders are also currently in place against OCTG from Argentina, Italy, Japan, Korea, and Mexico, which are not subject to these reviews. Five-year reviews of those orders will be instituted in July 2000.

THE ORIGINAL INVESTIGATIONS

Oil Country Tubular Goods (OCTG) from Canada and Taiwan (Inv. Nos. 731-TA-276 and 277)

The subject orders result from affirmative determinations by the Commission and Commerce in response to a petition filed on July 22, 1985, by Lone Star Steel Company and CF&I Steel Corp. alleging that OCTG from Canada and Taiwan were being, or were likely to be, sold in the United States at LTFV and that these imports were materially injuring, or threatened material injury to, a U.S. industry.

SUMMARY DATA

In the original investigations, the Commission found that OCTG other than drill pipe and drill pipe were separate like products and, accordingly, separate data were collected on these two product groups in these reviews.² Separate data were not collected, however, in the original investigations, making it impossible to present comparable data series for the two separate products for both the period examined in the original investigations (1983–85) and the period examined in the reviews (1997–99). For informational purposes only, table OCTG-I-1 presents data on all OCTG (i.e., including drill pipe) for 1983–85 from the original investigations and data on OCTG other than drill pipe for 1997–99 from the reviews, and table OCTG-I-2 presents data on all OCTG (again including drill pipe) for 1983–85 from the original investigations and data on drill pipe alone for 1997–99 from the reviews.

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Information on the statutory criteria regarding AD and countervailing duty (CVD) reviews, including the economic factors the Commission considers, was presented in the “Statutory Criteria and Organization of the Report” section of CIRC-I of this report and will not be repeated here.

Information obtained during the course of these reviews that relates to the above factors is presented throughout this report. Responses by U.S. producers, importers, and purchasers of OCTG and OCTG producers in Canada and Taiwan to a series of questions concerning the significance of the existing AD orders and the likely effects of their revocation are presented in appendix E.

² A summary of data collected in the reviews is presented in app. C. Table C-4 presents data on OCTG other than drill pipe, table C-5 presents data on drill pipe, and table C-6 presents data on all OCTG. U.S. OCTG industry data are based on questionnaire responses from eight domestic producers that accounted for 90–100 percent of shipments of OCTG in 1998 (coverage estimates are derived from information provided in documentation submitted by participating producers in response to the Commission’s Notice of Institution in these reviews and one that began production in 1999). U.S. import data are based on official Commerce statistics and on questionnaire responses of U.S. importers.

During these reviews, data was collected from the following companies: U.S. producers of OCTG other than drill pipe—IPSCO Tubulars, Koppel Steel, Lone Star Steel, Lorain Tubular, Maverick Tube, Newport Steel, North Star Steel, Prudential Steel, and USX; U.S. producers of drill pipe—Koppel Steel, Lorain Tubular, and USX; U.S. processors/threaders or tollers of OCTG—Aztec, Bellville Tube, Benoit Machine, Delta Tubular, Grant Prideco, and UPCO; U.S. importers of OCTG other than drill pipe—***; U.S. importers of drill pipe—***; and Canadian producers of OCTG other than drill pipe—Algoma Steel, Atlas Tube, IPSCO, Prudential Steel, and Stelpipe.

Table OCTG-I-1

Oil country tubular goods (OCTG) other than drill pipe: Comparative data from the original investigations on OCTG from Canada and Taiwan and the current reviews, 1983–85, 1997–98, January–September 1998, and January–September 1999

(Quantity in short tons, value in \$1,000, unit values are per short ton)							
Item	Calendar year					January–September	
	1983	1984	1985	1997	1998	1998	1999
U.S. consumption quantity:							
Amount	1,462,000	3,870,000	2,999,000	2,464,896	1,649,796	1,378,309	759,717
Producers' share (percent)	54.8	40.3	48.7	83.8	79.4	79.0	87.5
Importers' share (percent)							
Canada ¹	***	***	***	***	***	***	***
Taiwan	*** ²	*** ²	*** ²	(³)	(³)	(³)	(³)
All subject countries	***	***	***	***	***	***	***
All other ⁴	43.3	56.2	46.5	***	***	***	***
Total imports	45.1	59.7	51.3	16.2	20.6	21.0	12.5
U.S. imports from—							
Canada:							
Quantity ¹	***	***	***	***	***	***	***
Value ¹	***	***	***	***	***	***	***
Unit value ¹	***	***	***	\$***	\$***	\$***	\$***
Taiwan:							
Quantity	*** ²	*** ²	*** ²	3	5	2	43
Value	*** ²	*** ²	(⁵) ²	19	12	6	66
Unit value	*** ²	*** ²	(⁷) ²	\$6,608	\$2,396	\$2,443	\$1,520
All subject countries:							
Quantity	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***
Unit value	***	***	***	\$***	\$***	\$***	\$***
Other sources:							
Quantity	631,000	2,115,000	1,356,000	*** ⁴	*** ⁴	*** ⁴	*** ⁴
Value	348,000	1,012,000	767,000	*** ⁴	*** ⁴	*** ⁴	*** ⁴
Unit value	\$552	\$478	\$566	\$***	\$***	\$***	\$***

Footnotes appear at the end of the table (next page).

Table OCTG-I-1—Continued

Oil country tubular goods (OCTG) other than drill pipe: Comparative data from the original investigations on OCTG from Canada and Taiwan and the current reviews, 1983–85, 1997–98, January–September 1998, and January–September 1999

(Quantity in short tons, value in \$1,000, unit values are per short ton)							
Item	Calendar year					January–September	
	1983	1984	1985	1997	1998	1998	1999
All sources:							
Quantity	661,000 ⁸	2,307,000 ⁸	1,539,000 ⁸	398,258	339,463	288,987	95,021
Value	371,000 ⁸	1,126,000 ⁸	882,000 ⁸	302,033	261,486	218,809	76,396
Unit value	\$561 ⁸	\$488 ⁸	\$573 ⁸	\$758	\$770	\$757	\$804
U.S. producers—							
Capacity (short tons)	5,777,000	5,288,000	5,540,000	2,597,546	2,594,663	1,937,483	1,888,940
Production (short tons)	554,000	1,672,000	1,471,000	2,320,660	1,435,248	1,210,240	690,882
U.S. shipments (quantity)	801,000	1,563,000	1,460,000	2,066,638	1,310,333	1,089,322	664,696
Export shipments (quantity)	13,000	15,000	24,000	192,259	148,594	113,312	47,419
Production workers	3,876	7,462	7,498	3,835	3,182	3,190	2,204
Hours worked (1,000s)	7,212	14,576	13,768	8,319	5,907	4,818	3,028
Net sales (value)	365,210	970,165 ⁹	968,495 ¹⁰	1,609,876	1,054,600	***	***
Operating income/sales (percent)	(59.4)	(14.9) ⁹	(11.4) ¹⁰	7.9	1.0	***	***
<p>¹ OCTG produced by Welded Tube of Canada was excluded from the AD order on OCTG from Canada from the order's inception. OCTG produced by IPSCO was excluded from the AD order on OCTG from Canada beginning in 1996. The figures shown for Canada include subject imports only. Figures for 1997–99 adjusted for confirmed subject imports of OCTG other than drill pipe from *** not yet reflected in official Commerce statistics.</p> <p>² Import figures based on questionnaire data.</p> <p>³ Less than 0.05 percent.</p> <p>⁴ In 1998, imports from Germany accounted for ***. In 1998, China accounted for ***. Figures shown for 1997–99 include nonsubject imports from Canada, accounting in 1998 for ***.</p> <p>⁵ ***.</p> <p>⁶ ***.</p> <p>⁷ Data not available.</p> <p>⁸ Figures do not sum to the total because different sources were used and Welded Tube data were omitted from the Canadian statistics.</p> <p>⁹ ***.</p> <p>¹⁰ ***.</p>							
<p>Note—For unadjusted pre- and post-order import figures for all subject countries in the current reviews, see app. D. Figures for 1983–85 represent all OCTG; the Commission found that separate data were not available for the two like products and relied on combined data pursuant to the product line provision of the statute. For current period figures with OCTG other than drill pipe and drill pipe combined, see app. C, table C-6. Because of rounding, figures may not add to the totals shown; unit values and shares for 1997, 1998, and the interim periods in 1998 and 1999 are computed from the unrounded data; and for 1983–85, from the rounded data.</p>							
<p>Sources: Compiled from data submitted in response to Commission questionnaires; official U.S. Department of Commerce statistics; and staff report for <i>Oil Country Tubular Goods from Canada and Taiwan</i>, Inv. Nos. 731-TA-276 and 277 (Final) (May 20, 1986).</p>							

Table OCTG-I-2

Drill pipe: Comparative data from the original investigations on oil country tubular goods (OCTG) from Canada and Taiwan and the current reviews, 1983–85, 1997–98, January–September 1998, and January–September 1999

(Quantity in short tons, value in \$1,000, unit values are per short ton)							
Item	Calendar year					January–September	
	1983	1984	1985	1997	1998	1998	1999
U.S. consumption quantity:							
Amount	1,462,000	3,870,000	2,999,000	***	***	***	***
Producers' share (percent)	54.8	40.3	48.7	***	***	***	***
Importers' share (percent)							
Canada	***1	***1	***1	***	***	***	***
Taiwan	***2	***2	***2	***	***	***	***
All subject countries	***	***	***	***	***	***	***
All other ⁴	43.3	56.2	46.5	***	***	***	***
Total imports	45.1	59.7	51.3	***	***	***	***
U.S. imports from—							
Canada:							
Quantity	***1	***1	***1	1,786	323	277	96
Value	***1	***1	***1	4,821	840	569	394
Unit value	***1	***1	***1	\$2,700	\$2,602	\$2,055	\$4,121
Taiwan:							
Quantity	***2	***2	***2	0	1	1	21
Value	***2	***2	(⁵) ²	0	2	2	25
Unit value	***2	***2	(⁷) ²	(⁶)	\$2,513	\$2,513	\$1,219
All subject countries:							
Quantity	***	***	***	1,786	324	277	116
Value	***	***	***	4,821	842	570	419
Unit value	***	***	***	\$2,700	\$2,602	\$2,056	\$3,608
Other sources:							
Quantity ⁴	631,000	2,115,000	1,356,000	11,777	7,836	7,274	2,499
Value ⁴	348,000	1,012,000	767,000	9,410	13,952	12,483	2,845
Unit value	\$552	\$478	\$566	\$799	\$1,780	\$1,716	\$1,139

Footnotes appear at the end of the table (next page).

Table OCTG-I-2—Continued

Drill pipe: Comparative data from the original investigations on oil country tubular goods (OCTG) from Canada and Taiwan and the current reviews, 1983–85, 1997–98, January–September 1998, and January–September 1999

(Quantity in short tons, value in \$1,000, unit values are per short ton)							
Item	Calendar year					January–September	
	1983	1984	1985	1997	1998	1998	1999
All sources:							
Quantity	661,000 ⁸	2,307,000 ⁸	1,539,000 ⁸	13,563	8,160	7,551	2,615
Value	371,000 ⁸	1,126,000 ⁸	882,000 ⁸	14,231	14,794	13,054	3,265
Unit value	\$561 ⁸	\$488 ⁸	\$573 ⁸	\$1,049	\$1,813	\$1,729	\$1,248
U.S. producers—							
Capacity (short tons)	5,777,000	5,288,000	5,540,000	***	***	***	***
Production (short tons)	554,000	1,672,000	1,471,000	***	***	***	***
U.S. shipments (quantity)	801,000	1,563,000	1,460,000	***	***	***	***
Export shipments (quantity)	13,000	15,000	24,000	***	***	***	***
Production workers	3,876	7,462	7,498	***	***	***	***
Hours worked (1,000s)	7,212	14,576	13,768	***	***	***	***
Net sales (value)	365,210	970,165 ⁹	968,495 ¹⁰	***	***	***	***
Operating income/sales (percent)	(59.4)	(14.9) ⁹	(11.4) ¹⁰	***	***	***	***

¹ Excludes nonsubject exports by Welded Tube of Canada.

² Import figures based on questionnaire data.

³ Less than 0.05 percent.

⁴ In 1998, imports from China accounted for 54.9 percent of nonsubject imports by quantity (51.5 percent by value) and approximately *** percent of U.S. consumption quantity. In 1998, Germany accounted for 15.8 percent of nonsubject imports by quantity (9.5 percent by value) and approximately *** percent of U.S. consumption quantity.

⁵ ***.

⁶ ***.

⁷ Data not available.

⁸ Figures do not sum to the total because different sources were used and Welded Tube data were excluded from the Canadian statistics.

⁹ ***.

¹⁰ ***.

Note—For unadjusted pre- and post-order import figures for all subject countries in the current reviews, see app. D. Figures for 1983–85 represent all OCTG; the Commission found that separate data were not available for the two like products and relied on combined data pursuant to the product line provision of the statute. For current period figures with OCTG other than drill pipe and drill pipe combined, see app. C, table C-6. Because of rounding, figures may not add to the totals shown; unit values and shares for 1997, 1998, and the interim periods in 1998 and 1999 are computed from the unrounded data; and for 1983–85, from the rounded data.

Sources: Compiled from data submitted in response to Commission questionnaires; official U.S. Department of Commerce statistics; and staff report for *Oil Country Tubular Goods from Canada and Taiwan*, Inv. Nos. 731-TA-276 and 277 (Final) (May 20, 1986).

NATURE AND EXTENT OF SALES AT LTFV

On December 1, 1999, Commerce published its notice of the final results of its expedited reviews on OCTG from Canada and Taiwan (64 FR 67248). As a result of its reviews, Commerce found that revocation of the AD orders would be likely to lead to continuation or recurrence of dumping at the margins presented in table OCTG-I-3. The company-specific and all-others dumping margins shown are from the original investigations because Commerce found that the margins calculated in the original investigations were probative of the behavior of the producers and exporters of the subject products without the discipline of the orders. Commerce has not made any duty-absorption determinations in either of these cases.

Table OCTG-I-3
Oil country tubular goods: U.S. Department of Commerce's final results of review of the subject antidumping duty orders

Country and <i>Federal Register</i> citation	Companies and margins (<i>percent</i>)
Canada (64 FR 67248, December 1, 1999)	Algoma 13.00 Sonoco 3.18 All others except Welded Tube and IPSCO ¹ 16.65
Taiwan (64 FR 67248, December 1, 1999)	Far East 26.32 All others 26.32
¹ Welded Tube was excluded from the original order (51 FR 15029, April 22, 1986) and the order was revoked with respect to IPSCO (61 FR 49733, September 23, 1996). Source: Compiled from Commerce's <i>Federal Register</i> notices.	

A history of the original AD orders and subsequent administrative reviews is presented in appendix F. Table OCTG-I-4 contains U.S. Customs Service data on the actual duties collected under the AD orders on OCTG from Canada and Taiwan and the customs value of subject imports in fiscal years 1994 through 1998.

Table OCTG-I-4
Oil country tubular goods: Actual duties collected on subject imports, fiscal years 1994–98

Country	1994	1995	1996	1997	1998
	Value (\$1,000)				
Canada					
Duties collected	67	17	22	12	157
Value of imports	1,055	131	2,167	247	1,082
Taiwan					
Duties collected	0	0	0	0	0
Value of imports	0	0	0	0	0
Source: Compiled from U.S. Customs Service statistics.					

THE SUBJECT PRODUCTS

Although the imported product subject to the AD orders under review is contained with a group of products broadly termed “certain pipe and tube,” OCTG is a distinct category of pipe and tube, defined by specific size and quality parameters and possibly having additional subgroups of similar products. Commerce has published the definitions applicable to each country and product in various *Federal Register* notices, the most recent of which is detailed below.

OCTG from Canada and Taiwan

The imported products subject to the AD orders on OCTG from Canada and Taiwan have been defined by Commerce as:

“ . . . OCTG from Canada and from Taiwan. This includes American Petroleum Institute (‘API’) specification OCTG and all other pipe with the following characteristics except entries which the Department determined through its end use certification procedure were not used in OCTG applications: length of at least 16 feet; outside diameter of standard sizes published in the API or proprietary specifications for OCTG with tolerances of plus 1/8 inch for diameters less than or equal to 8 5/8 inches and plus 1/4 inch for diameters greater than 8 5/8 inches, minimum wall thickness as identified for a given outer diameter as published in the API or proprietary specifications for OCTG; a minimum of 40,000 PSI yield strength and a minimum 60,000 PSI tensile strength; and if with seams, must be electric resistance welded. Furthermore, imports covered by these reviews include OCTG with non-standard size wall thickness greater than the minimum identified for a given outer diameter as published in the API or proprietary specifications for OCTG, with surface scabs or slivers, irregularly cut ends, ID or OD has not been mechanically tested or has failed those tests. . . . The merchandise is . . . classifiable under the Harmonized Tariff Schedules {HTS} item numbers 7304.20 {currently 7304.29}, 7305.20, and 7306.20.

“The order on OCTG from Canada covers all manufacturers and exporters of Canadian OCTG, excluding Welded Tube of Canada . . . and {IPSCO} The order on OCTG from Taiwan covers all manufacturers and exporters of Taiwanese OCTG.”³

Column 1-general rates of duty range from 0.2 percent to 4 percent *ad valorem*. Qualifying goods of Canada are eligible for duty-free entry under the North American Free Trade Agreement (NAFTA).

³ 64 FR 67248, 67249, December 1, 1999. Although the HTS provisions are provided for convenience and customs purposes, the written description remains dispositive. OCTG falls in all subordinate provisions of the named HTS subheadings.

Commerce determined, on April 30, 1991, that seamless mechanical tubing/certain coupling stock meeting these criteria are excluded from the scope of the order. 56 FR 19833, April 30, 1991.

DOMESTIC LIKE PRODUCT ISSUES

In its original determinations, the Commission found two separate like products: (1) OCTG other than drill pipe and (2) drill pipe.⁴

Physical Characteristics and Uses

In common usage, and generally in the Harmonized Tariff Schedule, the terms “pipes,” “tubes,” and “tubular products” may be used interchangeably. In industry nomenclature, however, a distinction is made between pipes and tubes. Pipes are circular tubular products and are produced in standard sizes that are defined by a nominal diameter and wall thickness⁵ and designed to be used with standard pipe fittings. Pipes are normally used as a conduit for liquids or gases. Tubing, on the other hand, may be of any shape, including circular, square, rectangular, and other shapes. The size of tubing is defined by its actual outside diameter (O.D.) (which may be the same as that of a standard size pipe) and its wall thickness.

Pipes and tubes are produced in various grades of carbon steel, alloy steel, and stainless steel and are distinguished by six end uses: standard pipe, line pipe, structural pipe and tubing, mechanical tubing,

⁴ Because the Commission, in its original decision, did not analyze information relating to imports of drill pipe with tool joints attached (see discussion in “Manufacturing Process,” *infra*), such product was not originally considered to be within the scope of the instant orders under review. In the orders relating to the 1995 OCTG cases, Commerce considered drill pipe from Argentina, Japan, and Mexico as subject product with or without tool joints attached. Finished drill pipe, that is, drill pipe with tool joints attached, is classified under HTS statistical reporting numbers 8431.43.4000 and 8431.43.8010. These HTS subheadings are not mentioned by Commerce in the scope definitions for either these reviews or the 1995 cases involving Argentina, Japan, and Mexico, although Commerce, which provides the HTS subheadings for convenience and Customs purposes only, states that its written description is dispositive.

Commerce indicated its opinion that, although “finished drill pipe” as considered in the original investigations may not have included drill pipe with tool joints attached (primarily because of the production processes and industry makeup at the time), finished drill pipe in these review investigations does include drill pipe with tool joints attached. Telephone conversations with ***, U.S. Department of Commerce, April 26–28, 2000.

Drill pipe with tool joints attached entered under HTS statistical reporting numbers 8431.43.4000 and 8431.43.8010 is recorded with no unit measurement; only value is recorded for the diverse shipments of parts for boring or sinking machinery, of offshore oil and natural gas drilling and productions platforms, and of oil and gas field machinery. By value, in 1998, entries under these subheadings from all countries totaled \$241.5 million. In 1998, entries for drill pipe without tool joints attached from all countries totaled \$14.8 million (table OCTG-I-2). In 1998, entries for OCTG other than drill pipe from all countries totaled \$261.5 million (table OCTG-I-1).

Commission staff contacted two Customs national import specialists to determine whether the original orders were being applied with respect to imports of drill pipe with tool joints attached and learned that HTS statistical reporting numbers 8431.43.4000 and 8431.43.8010 were not “flagged” for AD collection. Telephone conversations with ***, U.S. Customs Service, February 3, 2000. Therefore, duties collected and value of subject imports presented in table OCTG-I-4 do not include any AD collections on drill pipe with tool joints attached that was entered under HTS statistical reporting numbers 8431.43.4000 or 8431.43.8010.

⁵ The size of pipe is identified by the nominal pipe size (NPS), which is a dimensionless designator that has been substituted for such traditional terms as “nominal diameter.” Pipe in nominal pipe sizes of ½ to 12 is based on a standardized O.D. that was originally selected so that pipe having a wall thickness that was typical of the period would have an inside diameter in inches approximately equal to the nominal size. For pipe in nominal sizes of 14 and larger, the O.D. is equal in inches to the nominal size.

pressure tubing, and OCTG. The American Iron and Steel Institute (AISI) defines these categories as follows:

STANDARD PIPE is ordinarily used for low-pressure conveyance of air, steam, gas, water, oil, or other fluids for mechanical applications. It is used primarily in machinery, buildings, sprinkler systems, irrigation systems and water wells rather than in pipe lines or utility distribution systems. It may carry fluids at elevated temperatures which are not subject to external heat applications. It is usually produced in standard diameters and wall thicknesses to ASTM (American Society for Testing and Materials) specifications.

LINE PIPE is used for transportation of gas, oil, or water generally in a pipeline or utility distribution system. It is produced to API (American Petroleum Institute) and AWWA (American Water Works Association) specifications.

STRUCTURAL PIPE AND TUBING is welded or seamless pipe and tubing generally used for structural or load-bearing purposes *above ground* by the construction industry, as well as for structural members in ships, trailers, farm equipment and other similar uses. It is produced in nominal wall thicknesses and sizes to ASTM specifications in round, square, rectangular or other cross-sectional shapes.

MECHANICAL TUBING is welded or seamless tubing produced in a large number of shapes of varied chemical composition in sizes 3/16 inch to 10¾ inches O.D. inclusive for carbon and alloy material. It is not normally produced to meet any specification other than that required to meet the end use. It is produced to meet exact O.D. and decimal wall thickness.

PRESSURE TUBING is used to convey fluids at elevated temperatures or pressures, or both, and is suitable to be subjected to heat applications. It is produced to exact O.D. and decimal wall thickness in sizes ½ inch to 6 inches O.D. inclusive, usually to specifications such as ASTM.

OIL COUNTRY TUBULAR GOODS are pipe used in wells in oil and gas industries consisting of casing, tubing, and drill pipe.

A. Casing is the structural retainer for the walls of oil or gas wells and covers sizes 4½ to 20 inches O.D. inclusive.

B. Tubing is used within casing oil wells to convey oil to ground level and ordinarily includes sizes 1.050 to 4.500 inches O.D. inclusive.

C. Drill Pipe is used to transmit power to a rotary drilling tool below ground level and covers sizes 2⅝ to 6⅝ inches O.D. inclusive.

Oil country goods are produced to API specifications.⁶

OCTG is normally produced to API specifications. Any tubing used as casing, tubing, or drill pipe, however, is subject product regardless of specification.

Drill pipe is a subset of the OCTG group. All OCTG are circular tubes that can be threaded at one end or at both ends. Coupling or connectors are used to connect one pipe to the next. Welding can also be used to connect the nonthreaded ends. Within the same set of OCTG, the drill pipe, tubing and casing are of different sizes.

⁶ American Iron and Steel Institute. Instructions for Reporting Steel Shipment Statistics. January 1988.

Because drill pipe is used to transmit torques from the drilling motor to the rotary drill, it is subject to stress caused by shear, vibration, and consequently fatigue. As a result, drill pipe must be manufactured by the seamless process and is subject to specific heat treatment processes to optimize its strength and to meet API specifications. Drill pipe is manufactured only by a limited subset of OCTG producers. Generally, OCTG other than drill pipe is subject to much less direct pressure, shear, and vibration than drill pipe and can be manufactured by the continuous-welding (CW) or electric resistance-welding (ERW) process due to cost considerations.

Casing, tubing, and drill pipe have distinct end uses. Casing is installed in the wellbore of a well as drilling progresses. Its functions are preventing the wall of the borehole from caving into the wellbore during drilling, providing control of the well if it tries to blow out, and limiting fluid production to a particular wellbore segment. Tubing is a small-diameter pipe installed within a larger-diameter casing and connected to a well completion. Its function is conducting produced fluids to the surface. Drill pipe is used in drilling and is part of the rotating column to which a drilling bit is attached.

Manufacturing Process

OCTG other than drill pipe (casing and tubing) may be produced by the ERW process or the seamless process. Drill pipe that meets API specifications is always produced from seamless tubing.

In the ERW process, the starting material is steel sheet in coil form. The steel sheet is slit to the exact width to be formed into tubular form of the desired diameter. The slit sheet is formed into tubular shape by passing it through a series of rollers while cold. The edges are then heated by electrical resistance⁷ and welded by heat and pressure, without the addition of filler metal. The welding pressure causes some of the metal to be squeezed from the joint, forming a bead of metal on the inside and the outside of the tube. This bead, called a welding flash, is usually trimmed from both the outside and the inside surfaces. While still in the continuous processing line, the tube is then subjected to such post-weld heat treatment as is required. Such treatment may involve heat treatment of the welded seam only or treatment of the full cross-section of the pipe. After heat treatment, sizing rolls shape the tube to accurate diameter tolerances. The product is cooled and then cut at the end of the tube mill by a flying shear or saw to predetermined length.⁸

The starting material for seamless tubing is a round or square steel billet. Seamless OCTG is manufactured by either of two high temperature processes to form a central cavity in a solid steel billet: the rotary piercing process or the hot extrusion process. In both cases, if a square billet is used, it is first forced through a single circular roll pass, producing a round billet for the piercing operation. In the rotary piercing process, the heated billet is gripped by angled rolls, which cause it to rotate and advance over a piercer point, forming a hole through its length. In the extrusion process, the billet is hot punch-pierced and then extruded axially through a die and over a mandrel, forming a hollow shell. The hollow

⁷ The heat for welding is generated by resistance of the steel to the flow of electric current. In one process, a low frequency (typically 60 to 360 hertz) is conducted to the strip edges by a pair of copper alloy discs which rotate as the pipe is propelled under them. A second variation uses high frequency current (in the range of 400 to 500 kilohertz) which enters the tubing through shoes which act as sliding contacts. An induction coil can also be used with the high frequency current to induce current in the edges of the steel. No direct contact between the induction coil and the tubing is required. American Iron and Steel Institute, *Steel Products Manual Steel-Specialty Tubular Products*, October 1980, pp. 19–20.

⁸ United States Steel, "Manufacture of Steel Tubular Products," in *The Making, Shaping, and Treating of Steel*, 10th ed. (Pittsburgh, PA: Herbick & Held, 1985), p. 1,029.

shell produced by either process is then rolled with either a fixed plug or a continuous mandrel inside the shell to reduce the wall thickness, increasing the length. Finally the shell is rolled in a sizing mill or a stretch reducing mill where it is formed into a true round profile and sized to the required diameter.

Finishing operations on OCTG are more extensive than those on standard pipe. Alloy OCTG and some carbon steel OCTG require heat treating. Heat treating may involve one or more heating cycles in either a continuous furnace or in a batch furnace, with controlled rates of cooling. Specific heat treating requirements are dependent upon the grade of steel being processed.

Casing and tubing are finished by threading and the attachment of a suitable coupling to one end of each length. The thread designs, of which there are several, are different from those used on standard pipe. For some casing or tubing that is used for severe service, it is necessary to provide additional strength in the joint, and for this reason, the ends of the pipe are upset before cutting the threads. To accomplish this upsetting, the end of the pipe is heated to forging temperature, 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 to the outside of the pipe.

Finishing operations on OCTG other than drill pipe are often performed by specialized facilities called “processors” and “threaders” rather than by pipe manufacturers. Processors operate facilities that are capable of heat-treating OCTG and upsetting ends. Threaders are capable of threading and coupling, hydrostatic testing, and measuring the length of OCTG products. Most processors are also threaders⁹ but there are many threaders that are not processors. Some processors and threaders may also manufacture couplings that become part of the finished OCTG.

Finishing operations on drill pipe are different from both standard pipe (previously discussed in another section of this report) and OCTG other than drill pipe because the method of joining lengths of drill pipe is different. Drill pipe is finished by heat-treating if necessary, upsetting the ends as described above, and attaching a tool joint on each end of each length of pipe. A tool joint is a heavy coupling element having coarse, tapered threads and designed to sustain the weight of the drill stem while in use, withstand the strain of repeated connection and disconnection, and provide a leakproof seal.¹⁰ The male section (pin) is attached to one end of a length of drill pipe and the female section (box) is attached to the other end. Tool joints may be welded to the drill pipe, screwed onto the pipe, or a combination of screwed on and welded.¹¹ Most commonly, tool joints are permanently welded to the pipe. Finishing of drill pipe is performed by drill pipe processors that are capable of heat-treating, upsetting ends, and welding tool joints onto unfinished drill pipe. Drill pipe processors normally are not also processors of casing and tubing.

⁹ For this reason, the term “processor” in other sections of this report is meant to include processors who are also threaders, while the term “threaders” means threaders who are not processors.

¹⁰ Rotary drilling depends on the rotation of a column of drill pipe to which a drill bit is attached. Individual lengths of drill pipe, each about 30 or 40 feet long, are joined to form the drill string. As drilling progresses, additional lengths of drill pipe are added at the top to lengthen the string. In the course of drilling a well, it is necessary from time to time to remove the drill stem from the hold in order to service the drill bit. That process requires disconnecting and removing the individual lengths of drill pipe to reach the drill bit, then reconnecting the individual pieces in order to resume drilling.

¹¹ Petroleum Industry Data Exchange. Dictionary. Located online at <http://www.pidx.org/Library/PIDD/Index.html>.

Interchangeability and Customer and User Perceptions

Imported OCTG may be considered to be interchangeable with domestic product for most applications. These products must meet common standards regarding materials, dimensions, and testing, established by consensus organizations. Almost all OCTG is produced to API specifications by manufacturers who are licensed by API to use the API monogram on their product. In order to obtain the API license, the manufacturer must have an approved functioning quality program and must have had an on-site survey of its manufacturing program to verify that the quality program meets API requirements. API licenses firms worldwide to use its monogram, and most users of OCTG require that the product be marked with the API monogram.¹² Manufacturing processes and technologies are similar throughout the world. Section OCTG-II of this report contains additional information with regard to interchangeability.

Casing and tubing are both usually produced in accordance with API specification 5 CT in O.D.s of 4.5–20 inches for casing and 1.05–4.5 inches for tubing. Drill pipe (other than heavy-weight drill pipe) is usually produced in accordance with API specification 5 D in O.D.s of 2.375–6.625 inches. API 5 CT specifications overlap with 10 of 16 API 5 D categories (based on O.D. and wall thickness) but generally differ in length and weight per foot (drill pipe tends to be shorter and heavier than casing or tubing).¹³ They are not interchangeable among themselves within the same set under normal operating conditions. As noted above, OCTG components are made to API specifications and therefore are interchangeable across manufacturers.

Because of the separate applications for casing, tubing, and drill pipe, each product is produced in different diameters and wall thicknesses from the others, and each has its own methods of joining. Therefore, although the methods of manufacture of the products are similar, the products are not interchangeable and customers perceive them to be separate products.

Channels of Distribution

Most OCTG products are sold by U.S. mills and by importers to distributors who, in turn, sell to other distributors or to end users. Unfinished OCTG, particularly drill pipe, is often sold by the manufacturers to processors, who perform the finishing operations described above, following which it is sold through distributors or directly to drilling contractors. End users normally purchase OCTG from the same distributor to ensure consistent quality, availability, equipment fitting, and convenience. As a practical consideration, distributors therefore typically carry all three products. OCTG other than drill pipe and drill pipe generally move through the same channels of distribution. Additional information on channels of distribution may be found in section OCTG-II of this report.

¹² A Canadian producer, Atlas Tube, indicates that it exports to the United States OCTG other than drill pipe that does not meet the API specification. This product is for a special application which does not require API-specification OCTG other than drill pipe. According to Atlas Tube, this material would not be fully interchangeable with API-specification OCTG other than drill pipe.

¹³ *Oil Country Tubular Goods from Argentina, Austria, Italy, Japan, Korea, Mexico, and Spain*, USITC Pub. 2911, August 1995, p. II-6.

U.S. MARKET PARTICIPANTS

U.S. Producers

Nine U.S. producers of OCTG responded to the Commission's questionnaire with usable data. All nine firms produce OCTG other than drill pipe, and three of those nine also produce drill pipe. *** OCTG producers oppose revocation of either both orders in these reviews or those orders on products against which they compete in the U.S. market. *** supports revocation of the orders on OCTG from Canada **. In addition, four processor/threaders or tollers of OCTG—**, and two processor/threaders or tollers—** revocation of the orders.¹⁴

Among the nine producers of OCTG other than drill pipe listed in table OCTG-I-5, the ** largest U.S. producers each account for ** percent of reported domestic OCTG other than drill pipe production. Among the three reporting producers of drill pipe listed in table OCTG-I-5, the largest single U.S. producer, **, alone accounts for ** of reported domestic drill pipe production.¹⁵

** producer responded to the Commission's importers' questionnaire and reported nonsubject imports. ** reported it imported OCTG other than drill pipe from **. **.

ISPCO Tubulars, a producer of circular welded carbon steel pipes and tubes and OCTG other than drill pipe, is owned by IPSCO of Canada, which has been excluded from the AD order on OCTG from Canada since 1996. Prudential Steel, a producer of circular welded carbon steel pipes and tubes and OCTG other than drill pipe, is indirectly wholly owned by Prudential Steel Ltd. of Canada, a producer of subject Canadian OCTG other than drill pipe and respondent in these reviews.

¹⁴ **.

¹⁵ **.

Table OCTG-I-5

Oil country tubular goods (OCTG) other than drill pipe and drill pipe: U.S. producers, their primary plant locations, and share of reported production, by product, in 1998

Firm	Location	Share of reported U.S. production (percent)
OCTG other than drill pipe		
IPSCO Tubulars	Iowa	***
Koppel Steel	Pennsylvania, Texas	***
Lone Star Steel	Texas	***
Lorain Tubular	Ohio	***
Maverick Tube	Arkansas, Texas	***
Newport Steel	Kentucky	***
North Star Steel	Ohio, Texas	***
Prudential Steel	Washington	***1
USX	Pennsylvania, Ohio	***
Drill pipe		
Koppel Steel	Pennsylvania, Texas	***
Lorain Tubular	Ohio	***
USX	Pennsylvania, Ohio	***
<p>1 ***</p> <p>Note—Figures for OCTG other than drill pipe and drill pipe do not incorporate questionnaire data from processor/threaders or tollers, including Aztec, Bellville Tube, Benoit Machine, Delta Tubular, Grant Prideco, and UPCO.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>		

U.S. Importers

Eleven importers reported imports of OCTG other than drill pipe and/or drill pipe. Nine importers imported OCTG other than drill pipe exclusively. *** reported imports of drill pipe *** and did so exclusively. *** was the only importer which imported OCTG other than drill pipe and drill pipe. Only *** imported three products, including OCTG other than drill pipe. ***.

In 1998, there were no reported imports of drill pipe from either subject country and no reported imports of OCTG other than drill pipe from Taiwan. In 1998, imports of OCTG other than drill pipe

from Canada, as reported by importers in their responses to the Commission's importers' questionnaire, were more than *** percent of total imports as indicated by official Commerce statistics.¹⁶

U.S. Purchasers

Seven purchasers, located in Texas, Virginia, West Virginia, Oklahoma, and Missouri, reported purchases of OCTG other than drill pipe only. *** reported purchases of drill pipe only, imported from ***. Only *** reported purchases of both OCTG other than drill pipe and drill pipe, each from U.S. producers as well as foreign producers.

Seven of the eight purchasers of OCTG other than drill pipe reported purchases from U.S. producers, but only one of these seven purchasers, ***, reported purchases of subject imported OCTG other than drill pipe from Canada. The country frequently listed for purchases of nonsubject OCTG other than drill pipe is Mexico.

APPARENT U.S. CONSUMPTION

OCTG Other Than Drill Pipe

Apparent U.S. consumption of OCTG other than drill pipe fell by 33.1 percent from 1997 to 1998, while U.S. producers' shipments fell by 36.6 percent during the same period. Comparing the 1998 interim period with the 1999 interim period, apparent U.S. consumption was 44.9 percent lower and producers' U.S. shipments were 39.0 percent lower in the 1999 interim period (table OCTG-I-6).

Drill Pipe

Apparent U.S. consumption of drill pipe rose by *** percent from 1997 to 1998, while producers' U.S. shipments rose by *** percent during the same period. Comparing the 1998 interim period to the 1999 interim period, apparent U.S. consumption fell by *** percent while U.S. producers' shipments fell by *** percent (table OCTG-I-7).

¹⁶ Calculations based on import figures adjusted to remove nonsubject imports from *** and include subject imports by *** misclassified upon entry. According to ***, steps are being taken to have the entries placed in the correct classification.

Table OCTG-I-6

Oil country tubular goods other than drill pipe: U.S. shipments of domestic product; U.S. imports, by sources; and apparent U.S. consumption, 1997–98, January–September 1998, and January–September 1999

Item	Calendar year		January–September	
	1997	1998	1998	1999
	Quantity (short tons)			
U.S. producers' shipments	2,066,638	1,310,333	1,089,322	664,696
U.S. imports from—				
Canada ¹	***	***	***	***
Taiwan	3	5	2	43
All subject countries	***	***	***	***
Other sources ²	***	***	***	***
Total imports	398,258	339,463	288,987	95,021
Apparent consumption	2,464,896	1,649,796	1,378,309	759,717
Value (\$1,000)				
U.S. producers' shipments	1,464,849	935,922	773,952	371,405
U.S. imports from—				
Canada ¹	***	***	***	***
Taiwan	19	12	6	66
All subject countries	***	***	***	***
Other sources ²	***	***	***	***
Total imports	302,033	261,486	218,809	76,396
Apparent consumption	1,766,882	1,197,408	992,761	447,801
<p>¹ OCTG produced by Welded Tube of Canada and IPSCO are excluded from the AD order on OCTG from Canada. The figures shown for Canada include subject imports only. Figures adjusted for confirmed subject imports from *** not yet reflected in official Commerce statistics.</p> <p>² Includes nonsubject imports from Canada.</p> <p>Note—Because of rounding, figures may not add to the totals shown.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and official U.S. Department of Commerce statistics, as adjusted.</p>				

Table OCTG-I-7

Drill pipe: U.S. shipments of domestic product; U.S. imports, by sources; and apparent U.S. consumption, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
	Quantity (short tons)			
U.S. producers' shipments	***	***	***	***
U.S. imports from—				
Canada	1,786	323	277	96
Taiwan	0	1	1	21
All subject countries	1,786	324	277	116
Other sources	11,777	7,836	7,274	2,499
Total imports	13,563	8,160	7,551	2,615
Apparent consumption	***	***	***	***
Value (\$1,000)				
U.S. producers' shipments	***	***	***	***
U.S. imports from—				
Canada	4,821	840	569	394
Taiwan	0	2	2	25
All subject countries	4,821	842	570	419
Other sources	9,410	13,952	12,483	2,845
Total imports	14,231	14,794	13,054	3,265
Apparent consumption	***	***	***	***
Note—Because of rounding, figures may not add to the totals shown.				
Source: Compiled from data submitted in response to Commission questionnaires and official U.S. Department of Commerce statistics.				

U.S. MARKET SHARES

OCTG Other Than Drill Pipe

Table OCTG-I-8

Oil country tubular goods other than drill pipe: Apparent U.S. consumption and market shares, 1997–98, January–September 1998, and January–September 1999

Item	Calendar year		January–September	
	1997	1998	1998	1999
	<i>Quantity (short tons)</i>			
Apparent consumption	2,464,896	1,649,796	1,378,309	759,717
	<i>Value (\$1,000)</i>			
Apparent consumption	1,766,882	1,197,408	992,761	447,801
	<i>Share of quantity (percent)</i>			
U.S. producers' shipments	83.8	79.4	79.0	87.5
U.S. imports from—				
Canada	***	***	***	***
Taiwan	(1)	(1)	(1)	(1)
All subject countries	***	***	***	***
Other sources	***	***	***	***
Total import shipments	16.2	20.6	21.0	12.5
	<i>Share of value (percent)</i>			
U.S. producers' shipments	82.9	78.2	78.0	82.9
U.S. imports from—				
Canada	***	***	***	***
Taiwan	(1)	(1)	(1)	(1)
All subject countries	***	***	***	***
Other sources	***	***	***	***
Total import shipments	17.1	21.8	22.0	17.1
¹ Less than 0.05 percent. Note—Because of rounding, figures may not add to the totals shown. Source: Compiled from data submitted in response to Commission questionnaires and official U.S. Department of Commerce statistics, as adjusted.				

Drill Pipe

Table OCTG-I-9

Drill pipe: Apparent U.S. consumption and market shares, 1997-98, January-September 1998, and January-September 1999

* * * * *

OCTG-II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

INTRODUCTION

Raw materials account for a smaller share of the costs of producing oil country tubular goods (OCTG) than other tubular products. Most responding domestic producers of OCTG report that the cost of steel has little or no impact on selling prices.¹ All responding domestic producers of OCTG report that demand for OCTG is dependent on oil and gas drilling activity and the prices of oil and gas.

U.S. MARKET SEGMENTS, CHANNELS OF DISTRIBUTION, AND MARKET STRUCTURE

Domestic producers of OCTG other than drill pipe reported that all shipments from January 1997 through September 1999 were made to distributors. There were no sales to end users, and no sales to threaders or other processors other than distributors.^{2 3} There was no reported internal consumption of OCTG other than drill pipe. Importers of OCTG from Canada reported that 99.8 percent of interim 1999 shipments were made to distributors, and the balance of shipments were made to processors or threaders. There were no reported imports of OCTG other than drill pipe from Taiwan.

Only three domestic producers of drill pipe provided data on production and shipments of drill pipe, and only two reported any production and shipments in interim 1999.⁴ These producers reported that all shipments were made to distributors. There were no reported domestic sales of drill pipe to threaders and other processors or to other types of customers in the period reported. There was no reported internal consumption of drill pipe. There were no reported imports of drill pipe from subject countries.

OCTG is produced by relatively few domestic producers. Domestic producers of OCTG serve the entire geographic area of the United States, although two reported a concentration of sales in the Gulf Coast area.

U.S. SUPPLY

Domestic Production

Domestic capacity to produce OCTG other than drill pipe decreased from 1997 to 1998 and was lower in interim 1999 than in interim 1998. Capacity utilization fell by 34 percent from 1997 to 1998 and was 26 percent lower in interim 1999 than in interim 1998. End-of-period inventories of OCTG declined from 1997 to 1998 and were lower in interim 1999 than in interim 1998. The reverse was true of the ratio of inventories to both production and shipments. Capacity utilization for the production of drill pipe declined from *** percent in 1997 to *** percent in 1998, and was *** percent in interim 1999 compared to *** percent in interim 1998. Reported domestic inventories of drill pipe as a share of total

¹ Some domestic producers produce both circular welded carbon steel pipes and tubes and OCTG and gave a single answer to most questions in Commission questionnaires.

² Some distributors are also processors or threaders.

³ On the basis of ***, staff believes that approximately *** percent of OCTG other than drill pipe sold in 1997 and *** percent of OCTG other than drill pipe sold in 1998 may have been sold to a processor of drill pipe.

⁴ ***.

shipments increased from *** percent in 1997 to *** percent in 1998, and was *** percent in interim 1998 compared with *** percent in interim 1999.

Production in the drill pipe segment of the OCTG market is highly concentrated; with only three responding producers in 1998, the largest accounted for *** percent of reported production. Production of OCTG other than drill pipe is less concentrated, with eight firms reporting production in 1998 and each firm accounting for less than *** percent of production.

Low capacity utilization and high inventory levels relative to shipments would tend to lessen the response of the domestic industries producing OCTG to a decrease in the U.S. market price, but would tend to increase the ability to respond to an increase in price with increased shipments.

Subject Imports

There were four responding producers of OCTG in Canada. The antidumping (AD) order on OCTG produced by IPSCO of Canada was revoked, and thus OCTG produced by IPSCO is not subject product. Atlas Tube and Stelpipe produce welded OCTG in Canada using the electrical resistance welded (ERW) method. Atlas reports that production equipment is primarily used for the production of structural steel tubing, and that OCTG produced is not produced to American Petroleum Institute (API) standards, by far the most common standard for OCTG. Stelpipe reports that *** are produced on the same equipment as OCTG. Algoma Steel is the sole reporting Canadian producer of seamless OCTG. Algoma also manufactures ***. Algoma reports that it has ceased production of all tubular products including OCTG, and is attempting to sell or lease its tubular mills.⁵ OCTG is produced by Stelpipe and Algoma to API specifications.

Atlas reports that there is no Canadian market for the OCTG that it exports to the U.S. market. The other responding Canadian producers of OCTG report that OCTG sold in the Canadian home market is interchangeable with that exported to the U.S. and other markets. Subject Canadian producers report *** markets developed in response to the order. Production and capacity utilization of subject Canadian producers of OCTG have declined over the period for which data were requested. Based on the available information, Canadian producers of OCTG have the ability to respond to price changes with increased shipments to the U.S. market.⁶

Nonsubject Imports

According to official Department of Commerce statistics, sources other than Canada and Taiwan accounted for the vast majority of imports of all OCTG throughout the review period; OCTG other than drill pipe from sources other than Canada and Taiwan accounted for more than 98 percent of imports throughout the review period, and imports of drill pipe from sources other than Canada and Taiwan accounted for 87 percent of drill pipe imports in 1997, and 96 percent in both 1998 and interim 1999. Welded Tube of Canada was excluded from the original AD order on OCTG. The AD order on OCTG produced by IPSCO was revoked by Commerce. Therefore OCTG produced by Welded Tube and IPSCO in Canada is nonsubject product. IPSCO produces *** and produces *** using the same equipment. In 1999, IPSCO closed its Edmonton, Alberta, mill and has acquired production facilities in the United States. *** imports to the U.S. market during the review period.

⁵ Algoma has ceased production of OCTG but has entered negotiations to lease the production facility to another producer. See section OCTG-IV, *infra*, for further discussion.

⁶ See Section OCTG-IV, *infra*, for more information on subject and nonsubject Canadian OCTG production.

U.S. DEMAND

OCTG is used exclusively for down-hole operations in oil and gas drilling. Demand for OCTG other than drill pipe and drill pipe is dependent on drilling activity for oil and gas, which is itself dependent on the price of these energy sources. Drilling activity, as indicated by the rig count of active U.S. oil and gas rotary rigs, lags somewhat behind changes in world oil prices. The average number of active rigs increased through 1997, reaching a high monthly average of 1,013 oil and gas rigs operating in the United States in December 1997. The number of rigs declined steadily to a low of 496 in April 1999 and increased to a high in December 1999 of 798 (figure OCTG-II-1). Oil and gas prices have remained high, and the number of active drilling rigs declined less than 4 percent to an average of 770 in the first quarter of 2000.⁷ More recently, the number of active rigs has increased. The monthly average rig count reported by Baker Hughes for April 2000 was 805. The weekly average for the week ending May 12, 2000 was 830 (196 oil rigs and 634 natural gas rigs).⁸ See appendix K for annual average rig counts for 1984-99 and data on oil and gas prices.

Increased drilling activity due to higher energy prices has led to price increases on OCTG since the beginning of the year. According to *American Metal Market*, average prices for OCTG during 2000 increased 1.6 percent in February, 2 percent in March, and 2.2 percent in April.⁹

Substitutes for OCTG other than drill pipe reported by domestic producers and U.S. importers include circular welded carbon steel pipes and tubes in some applications, coiled tubing, and used OCTG. Substitutes for drill pipe include titanium, aluminum, and composite drill string. No purchasers reported any possible substitutes for OCTG other than drill pipe.

SUBSTITUTABILITY ISSUES

Domestic purchasers of OCTG were asked to report the three most important factors in deciding from whom to purchase OCTG. Reported purchases by responding purchasers account for 34.9 percent of domestic producers' 1998 U.S. shipments. The factor most often reported as most important was the relationship with the supplier, followed by price and availability. Price was the factor mentioned most often as one of the three most important factors in making purchase decisions. Quality was also mentioned among the most important factors. The factors most often reported as being important are reported in table OCTG-II-1.

Purchasers of OCTG were also asked to report the importance of each of 14 factors in deciding from whom to purchase OCTG. Each factor was rated as being very important, somewhat important, or not important in the purchase decision. Factors reported as very important to all purchasers of OCTG from domestic sources included delivery time and terms, quality, product consistency, reliability of supply, and transportation network and costs. All purchasers of OCTG from Canada ranked availability and delivery times as very important (table OCTG-II-2).

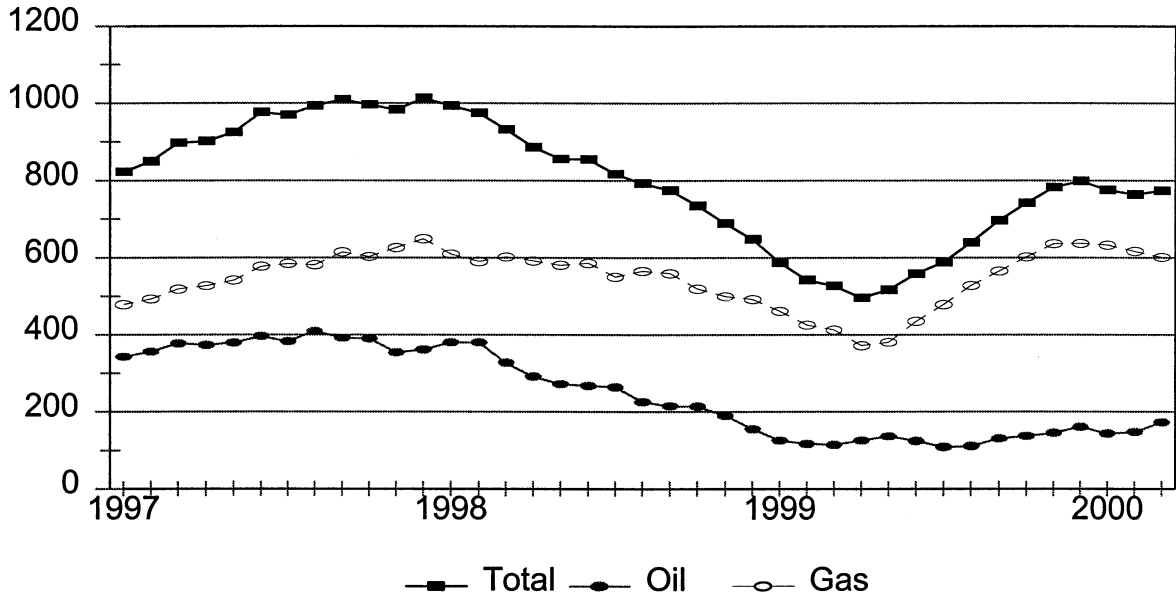
⁷ *** reported in its questionnaire response that drilling activity typically peaks in December and falls in the first quarter, with the lowest rig count between March and May.

⁸ Baker Hughes Inc. weekly rig count, www.bakerhughes.com/bakerhughes/, retrieved May 15, 2000.

⁹ John E. Sacco, "Soaring Energy Prices Fuel 1.6% Increase in OCTG Tags," *American Metal Market*, March 1, 2000, p. 1; John E. Sacco, "Strong Energy Sector Keeps OCTG Riding High," *American Metal Market*, April 5, 2000, p. 1; John E. Sacco, "USS Pumps Up OCTG Prices One More Time," *American Metal Market*, May 3, 2000, p. 1.

Figure OCTG-II-1

Monthly average rig count of active U.S. oil and gas rotary rigs, January 1997-March 2000



Source: Energy Information Administration Monthly Energy Review April 2000.

Table OCTG-II-1

Oil country tubular goods other than drill pipe: Ranking of factors in purchase decisions

Factor	Most important	Second most important	Third most important
	<i>Number of firms reporting</i>		
Relationship with supplier	3	0	0
Availability	1	3	1
Price	2	2	3
Quality	1	2	2
Other	1	1	2

Source: Compiled from responses to Commission questionnaires.

Table OCTG-II-2

Oil country tubular goods other than drill pipe: Importance of factors in purchase decisions¹

Factor	United States	Canada	Taiwan	Nonsubject countries
Availability	2.4	2.7	--	2.7
Delivery terms	2.3	2.0	--	2.3
Delivery time	2.7	2.7	--	2.7
Discounts offered	2.0	1.7	--	2.0
Lower price	2.2	2.3	--	2.3
Minimum qty requirements	2.2	2.0	--	2.3
Packaging	1.7	1.7	--	2.3
Product consistency	3.0	2.7	--	3.0
Product quality	3.0	2.7	--	3.0
Product range	2.3	2.0	--	2.7
Reliability of supply	2.7	2.3	--	2.8
Technical support/service	2.1	2.0	--	2.7
Transportation network	2.3	1.3	--	2.3
U.S. transportation costs	2.3	1.3	--	2.3

¹The numbers in the table represent the average ranking of each factor by responding purchasers, on a scale of 1 to 3 where 1=not important, 2=somewhat important, and 3=very important.

Source: Compiled from responses to Commission questionnaires.

Responding purchasers of OCTG other than drill pipe were asked to compare OCTG produced domestically with that from all other countries with which they were familiar on the same factors. OCTG produced in one country was rated as inferior, comparable, or superior to OCTG produced in the other. Responses are summarized in table OCTG-II-3.

Table OCTG-II-3

Oil country tubular goods other than drill pipe: Comparisons of domestic products to imports

Factor	U.S. vs Canada			U.S. vs Taiwan			U.S. vs nonsubject ¹		
	I	C	S	I	C	S	I	C	S
Availability	1	2	0	--	--	--	0	3	9
Delivery terms	1	1	0	--	--	--	1	5	8
Delivery time	1	2	0	--	--	--	0	3	11
Discounts offered	0	2	0	--	--	--	0	12	2
Lower price	0	2	0	--	--	--	5	5	4
Minimum qty requirements	1	2	0	--	--	--	0	6	8
Packaging	0	2	0	--	--	--	0	9	5
Product consistency	0	3	0	--	--	--	0	10	4
Product quality	0	3	0	--	--	--	0	10	4
Product range	0	2	0	--	--	--	0	6	8
Reliability of supply	1	1	0	--	--	--	0	8	6
Technical support/service	0	2	0	--	--	--	0	7	7
Transportation network	0	2	0	--	--	--	2	2	10
U.S. transportation costs	0	2	0	--	--	--	0	8	6

¹ Some purchasers reported comparisons to more than one nonsubject source.

Note: I = domestic product inferior, C = domestic product comparable, S = domestic product superior.

Source: Compiled from responses to Commission questionnaires.

Domestic and Canadian OCTG other than drill pipe were reported to be comparable in most factors by a majority of responding purchasers. In comparing delivery terms and reliability of supply, one purchaser rated the Canadian product superior to the domestic product, and one purchaser rated the two sources as comparable. Domestic OCTG other than drill pipe was compared to that produced in a number of nonsubject countries. Domestically produced OCTG other than drill pipe was regarded as superior in availability, delivery terms and time, minimum quantity requirements, range of products, and transportation network by a majority of responding purchasers. Domestic OCTG other than drill pipe was reported to be comparable to, or superior to, OCTG other than drill pipe from nonsubject sources on technical support/service, and comparable in all other factors except price. Responding purchasers were almost evenly split over the relative price of domestic to nonsubject OCTG; as many purchasers reported that domestic OCTG other than drill pipe is more expensive as those which reported that domestic OCTG other than drill pipe is comparable in price, and almost as many rated domestic OCTG other than drill pipe as less expensive.

Domestic producers and U.S. importers were asked to report on the interchangeability of domestically produced OCTG other than drill pipe and drill pipe with subject and nonsubject imports. All domestic producers and most importers reported that OCTG other than drill pipe produced in Canada and nonsubject countries is interchangeable with that produced domestically. *** reported that its imports of OCTG other than drill pipe from Canada are of a small diameter tubing “only available in

limited supply from U.S. domestic sources.”¹⁰ Atlas Tube reported that the only OCTG product imported by Atlas Tube is OCTG intentionally produced to non-API standards for limited use applications and is limited to a narrowly defined geographic area. All producers and importers of drill pipe report that the products produced domestically are interchangeable with subject and nonsubject imports, and that there is no difference other than price. Responses concerning interchangeability and the existence of differences other than price are summarized in tables OCTG-II-4 and OCTG-II-5, respectively, for OCTG other than drill pipe and drill pipe.

SIMULATION MODELING

Simulation models are frequently used by economists to estimate the likely effects of trade policy changes such as tariff increases/reductions or the imposition of quotas. Particular difficulties with the most common methodologies arise when imports are imperfect substitutes for domestic goods and their baseline market share is zero, or close to zero. The most significant problem relates to measuring the effects of policy changes as percentage changes from baseline levels. When the baseline value of the import market share is zero or close to zero, it is no longer possible to estimate changes in import levels as a percentage of the baseline values. The typical methodology employed by staff to estimate the likely impact of the recurrence or continuation of dumping in review investigations suffers from these limitations. In 1999 there were no imports of OCTG from Taiwan and limited imports from Canada. Given the very low level of subject imports, the use of a model such as the COMPAS model would be inappropriate.

Table OCTG-II-4
Oil country tubular goods: Interchangeability between domestic and imported product

Comparison	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
OCTG other than drill pipe				
U.S. vs Canada	13	0	5	1
U.S. vs Taiwan	10	0	2	2
U.S. vs nonsubject	9	0	6	2
Drill pipe				
U.S. vs Canada	5	0	3	0
U.S. vs Taiwan	2	0	2	1
U.S. vs nonsubject	3	0	1	1

Source: Compiled from responses to Commission questionnaires.

¹⁰ Response to Commission questionnaire.

Table OCTG-II-5

Oil country tubular goods: Existence of differences other than price between domestic and imported product

Comparison	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
OCTG other than drill pipe				
U.S. vs Canada	2	9	2	4
U.S. vs Taiwan	0	9	2	1
U.S. vs nonsubject	0	8	2	4
Drill pipe				
U.S. vs Canada	0	5	0	3
U.S. vs Taiwan	0	2	2	1
U.S. vs nonsubject	0	3	1	1

Source: Compiled from responses to Commission questionnaires.

In order to predict the ability of producers and exporters in Canada and Taiwan to respond to revocation of the current antidumping orders with renewed shipments of OCTG at levels observed prior to the imposition of the orders, relevant market conditions in 1985 and 1987 are compared with current conditions in table OCTG-II-6.

Table OCTG-II-6

Oil country tubular goods: Factors affecting the ability of producers in Canada and Taiwan to respond to revocation of duties with increased shipments

Canada	
Level of imports	In 1985, subject imports of all OCTG were *** short tons, or *** percent of apparent U.S. consumption. Imports of subject OCTG other than drill pipe were *** short tons in 1998, and *** short tons in interim 1999. Imports of drill pipe were 323 short tons in 1998, and 96 short tons in interim 1999.
Capacity	In 1998, annual capacity for responding subject producers of OCTG other than drill pipe was *** tons. This includes production capacity of *** tons by Algoma, which ceased production in 1999.
Capacity utilization	In 1998, capacity utilization was *** percent.
Other export markets	In 1998, the United States was the largest single export market for Canadian OCTG other than drill pipe, and drill pipe. Exports to the United States accounted for 74.6 percent of exports of OCTG other than drill pipe, and 41.6 percent of drill pipe exports.
Alternate products	OCTG other than drill pipe accounts for *** percent of production by Atlas Tube and Stelpipe, respectively. Atlas is primarily a producer of structural pipe, and Stelpipe produces ***. Algoma Steel was the only Canadian producer of welded OCTG in 1998 and allocated *** percent of capacity to OCTG other than drill pipe.

Table continued next page

Table OCTG-II-6--Continued

Oil country tubular goods: Factors affecting the ability of producers in Canada and Taiwan to respond to revocation of duties with increased shipments

Taiwan	
Level of imports	In 1984, imports of *** tons accounted for *** percent of apparent consumption. ¹ Imports were 5 tons in 1998, and 43 tons in interim 1999.
Capacity	Domestic interested parties report that at least 3 firms in Taiwan produce OCTG, and that the capacity of 2 of these firms is known and totals 344,000 tons. <i>Pipe & Tube Mills of the World</i> lists 2 firms with the ability to produce pipe to unspecified API standards (total capacity 290,000 tons annually), plus 1 firm (4 plants) with the ability to produce pipe to API 5CT standards (capacity unknown).
Capacity utilization	A response from the American Institute in Taiwan (AIT) noted that over-capacity is the major problem with the pipe and tube industry in Taiwan. ²
Other export markets	Unknown.
Alternate products	Unknown.
<p>¹ Based on UN export data. ² Import figure based on questionnaire data. ³ Response received in April 2000 from the AIT in response to a staff request for data on pipe and tube production in Taiwan.</p> <p>Source: Official Commerce statistics, response to Commission questionnaires, UN data, and April 2000 response from the AIT to a staff request for data on pipe and tube production in Taiwan.</p>	

OCTG-III: CONDITION OF THE U.S. INDUSTRIES

Information in this section is based on the questionnaire responses of nine producers, eight of which¹ accounted in 1998 for more than 90 percent² of estimated shipments of oil country tubular goods (OCTG).

U.S. PRODUCERS' CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

Oil Country Tubular Goods (OCTG) Other Than Drill Pipe

As table OCTG-III-1 indicates, production for OCTG other than drill pipe from 1997 to 1998 decreased more than production capacity (38.2 percent to 0.1 percent). Production capacity in the 1999 interim period was 2.5 percent lower than in the 1998 interim period, while production was 42.9 percent lower.

Table OCTG-III-1

Oil country tubular goods other than drill pipe: U.S. producers' capacity, production, and capacity utilization, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
Capacity (<i>short tons</i>)	2,597,546	2,594,663	1,937,483	1,888,940
Production (<i>short tons</i>)	2,320,660	1,435,248	1,210,240	690,882
Capacity utilization (<i>percent</i>)	89.3	55.3	62.5	36.6

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

Production fell at *** of the eight companies reporting production of OCTG other than drill pipe in 1998, while production capacity fell at two of the eight companies, rose at ***, and remained steady at all other companies. Several producers had sizable reductions in production from 1997 to 1998 (e.g., ***) *** but *** had a large decrease in production capacity, *** during that period. A new producer, Prudential Steel, began production in 1999 with an annualized estimated capacity of ***.

Drill Pipe

Production and capacity for drill pipe are presented in table OCTG-III-2. Production figures reflect a *** and *** from 1997 to 1998.³

¹ A ninth producer, Prudential Steel, reported production beginning in the 1999 interim period.

² The coverage estimate is derived from documentation submitted by participating producers in response to the Commission's Notice of Institution in these reviews.

³ ***.

Table OCTG-III-2

Drill pipe: U.S. producers' capacity, production, and capacity utilization, 1997-98, January-September 1998, and January-September 1999

* * * * *

U.S. PRODUCERS' DOMESTIC SHIPMENTS, COMPANY TRANSFERS, AND EXPORT SHIPMENTS

The unit value per short ton of U.S. shipments of OCTG other than drill pipe rose slightly from 1997 to 1998 and was 21.3 percent lower in the 1999 interim period when compared with the 1998 interim period (table OCTG-III-3). The unit value per short ton of U.S. shipments of drill pipe rose *** percent from 1997 to 1998 but was *** percent lower in the 1999 interim period than in the 1998 interim period (table OCTG-III-4).

Table OCTG-III-3

Oil country tubular goods other than drill pipe: U.S. producers' shipments, by type, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
	Quantity (short tons)			
Commercial shipments	2,066,638	1,310,333	1,089,322	664,696
Internal shipments	0	0	0	0
U.S. shipments	2,066,638	1,310,333	1,089,322	664,696
Export shipments	192,259	148,594	113,312	47,419
Total shipments	2,258,897	1,458,927	1,202,634	712,115
	Value (\$1,000)			
Commercial shipments	1,464,849	935,922	773,952	371,405
Internal shipments	0	0	0	0
U.S. shipments	1,464,849	935,922	773,952	371,405
Export shipments	136,204	106,212	81,295	28,057
Total shipments	1,601,053	1,042,134	855,247	399,462

Table continued on next page.

Table OCTG-III-3—Continued

Oil country tubular goods other than drill pipe: U.S. producers' shipments, by type, 1997–98, January–September 1998, and January–September 1999

Item	Calendar year		January–September	
	1997	1998	1998	1999
	Unit value (<i>per short ton</i>)			
Commercial shipments	\$709	\$714	\$710	\$559
Internal shipments	(¹)	(¹)	(¹)	(¹)
U.S. shipments	709	714	710	559
Export shipments	708	715	717	592
Total shipments	709	714	711	561
¹ Not applicable.				
Source: Compiled from data submitted in response to Commission questionnaires.				

Table OCTG-III-4

Drill pipe: U.S. producers' shipments, by type, 1997–98, January–September 1998, and January–September 1999

* * * * *

U.S. PRODUCERS' INVENTORIES

Inventory ratios for OCTG other than drill pipe and drill pipe increased from 1997 to 1998 and were higher in the 1999 interim period than in the 1998 interim period (despite the lower inventory levels in the 1999 interim period) (tables OCTG-III-5–OCTG-III-6).

Table OCTG-III-5

Oil country tubular goods other than drill pipe: U.S. producers' end-of-period inventories, 1997–98, January–September 1998, and January–September 1999

Item	Calendar year		January–September	
	1997	1998	1998	1999
Inventories (<i>short tons</i>)	188,443	164,764	202,052	133,570
Ratio to production (<i>percent</i>)	8.1	11.5	12.5	14.5
Ratio to U.S. shipments (<i>percent</i>)	9.1	12.6	13.9	15.1
Ratio to total shipments (<i>percent</i>)	8.3	11.3	12.6	14.1
Source: Compiled from data submitted in response to Commission questionnaires.				

Table OCTG-III-6

Drill pipe: U.S. producers' end-of-period inventories, 1997-98, January-September 1998, and January-September 1999

* * * * *

U.S. PRODUCERS' EMPLOYMENT, WAGES, AND PRODUCTIVITY

OCTG Other Than Drill Pipe

Unit labor costs for OCTG other than drill pipe increased while all other indicators of employment, wages, and productivity decreased from 1997 to 1998. Similarly, unit labor costs were higher and all other employment indicators lower in the 1999 interim period than in the 1998 interim period (table OCTG-III-7).

Table OCTG-III-7

Oil country tubular goods other than drill pipe: Average number of production and production-related workers, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
PRWs (<i>number</i>)	3,835	3,182	3,190	2,204
Hours worked (<i>1,000</i>)	8,319	5,907	4,818	3,028
Wages paid (<i>\$1,000</i>)	150,896	100,965	84,808	52,884
Hourly wages (<i>dollars per hour</i>)	18.14	17.09	17.60	17.47
Productivity (<i>short tons per 1,000 hours</i>)	279.0	243.0	251.2	228.2
Unit labor costs (<i>per short ton</i>)	65.02	70.35	70.08	76.55

Note—Employment ratios are calculated from the unrounded data. ***.

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

Drill Pipe

Hours worked and wages for drill pipe rose (***) in 1998, while productivity fell almost *** from its 1997 level. In the 1999 interim period, hours and wages were about *** (and productivity about ***) their 1998 interim period levels (table OCTG-III-8).

Table OCTG-III-8

Drill pipe: Average number of production and production-related workers, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 1997-98, January-September 1998, and January-September 1999

* * * * *

FINANCIAL CONDITION OF THE U.S. INDUSTRIES

Background

Nine mill producers and one processor of OCTG other than drill pipe and three mill producers of drill pipe provided usable financial information in response to the Commission's questionnaire.⁴ The majority of companies reported their financial data using a calendar year.⁵ Two toll processors of OCTG other than drill pipe also provided usable financial data.⁶

Within the OCTG product category, on-going production of raw steel into hot-rolled coil feedstock or billets was limited to ***.^{7 8}

As a new producer, Prudential Steel Inc., an indirectly wholly-owned subsidiary of Prudential Steel Ltd., located in Alberta, Canada, reported its first sales of OCTG other than drill pipe for the period January through September 1999. The company's new pipe facilities in Longview, WA., came on line at the end of 1998. Laclede Steel entered Chapter 11 bankruptcy in 1998 and is currently operating as debtor in possession.⁹

The questionnaire response of Newport Steel was verified by the Commission on March 2 and 3, 2000. As a result of this verification, the financial and trade data originally submitted to the Commission by Newport Steel were revised. As appropriate, these revisions are incorporated in the information presented in this report.

OCTG Other Than Drill Pipe

Table OCTG-III-9 aggregates income-and-loss data for 10 U.S. producers/processors of OCTG other than drill pipe. Tolling income-and-loss data for two toll processors is provided in table OCTG-9A.

Unlike the other product categories, total sales of OCTG other than drill pipe were somewhat more evenly distributed among the various producers. With respect to table OCTG-III-9, *** was the largest producer with *** percent of total sales revenue in 1998, followed *** by *** with *** percent, *** percent, and *** percent, respectively. In 1998, the remaining producers ranged from *** percent to *** percent of total sales revenue.

In contrast with the circular welded carbon steel pipes and tubes and the light-walled rectangular carbon steel pipes and tubes (LWR) product categories, both sales quantity and value of OCTG other than drill pipe fell rapidly throughout the period.

⁴ ***.

⁵ *** reported a fiscal year ending ***. *** reported a fiscal year ending ***. *** reported fiscal years ending ***.

⁶ ***.

⁷ ***.

⁸ ***.

⁹ Overall, Laclede last reported an operating profit in 1994 (see "Laclede Steel Files for Chapter 11," *Newsteel* article retrieved on March 14, 2000, at <http://www.newsteel.com.news/NW990102.htm>).

Table OCTG-III-9

Results of operations of U.S. producers/processors in the production of oil country tubular goods other than drill pipe, fiscal years 1997–98, January–September 1998, and January–September 1999

Item	Fiscal year		January–September	
	1997	1998	1998	1999
	Quantity (<i>short tons</i>)			
Net sales	2,263,366	1,466,529	***	***
	Value (\$1,000)			
Net sales	1,609,876	1,054,600	***	***
Cost of goods sold	1,413,196	983,251	***	***
Gross profit	196,680	71,349	75,175	(53,537)
SG&A expenses	69,715	60,339	47,344	32,854
Operating income or (loss)	126,965	11,010	27,831	(86,391)
Interest expense	21,672	12,801	9,834	8,814
Other expense	3,580	3,974	3,494	1,730
Other income items	1,912	1,737	265	2,739
Net income or (loss)	103,625	(4,028)	14,768	(94,196)
Depreciation/amortization	63,701	54,928	42,866	34,761
Cash flow	167,326	50,900	57,634	(59,435)
	Ratio to net sales (<i>percent</i>)			
Cost of goods sold	87.8	93.2	***	***
Gross profit	12.2	6.8	***	***
SG&A expenses	4.3	5.7	***	***
Operating income or (loss)	7.9	1.0	***	***
Net income or (loss)	6.4	(0.4)	***	***
	Number of firms reporting			
Operating losses	***	5	2	***
Data	9	9	9	10
Note—Because of rounding, figures may not add to the totals shown. ***.				
Source: Compiled from data submitted in response to Commission questionnaires.				

Table OCTG-III-9A

Results of operations of U.S. toll processors of oil country tubular goods other than drill pipe, fiscal years 1997-98, January-September 1998, and January-September 1999

* * * * *

In 1997, the overall operating-income ratio was 7.9 percent with only a single producer, ***, reporting an operating loss. In 1998, increasing costs and/or lower company-specific sales values resulted in operating losses for five of the producers. Overall, operating-income ratios deteriorated throughout the period, with a negative operating margin reported for interim 1999. With *** reporting negative operating income for interim 1999, estimated cash flows from operations were negative at the end of the period examined.

The average unit sales and cost values per short ton for mill producers and processors of OCTG other than drill pipe are provided in tables OCTG-III-10 and OCTG-III-10A, respectively. Tolling revenue and cost values per short ton are provided in OCTG-III-10B.

Table OCTG-III-10

Results of operations (per short ton) of U.S. mill producers in the production of oil country tubular goods other than drill pipe, fiscal years 1997-98, January-September 1998, and January-September 1999

* * * * *

Table OCTG-III-10A

Results of operations (per short ton) of U.S. processors in the production of oil country tubular goods other than drill pipe, fiscal years 1997-98, January-September 1998, and January-September 1999

* * * * *

Table OCTG-III-10B

Results of operations of U.S. toll processors (per short ton) in the production of oil country tubular goods other than drill pipe, fiscal years 1997-98, January-September 1998, and January-September 1999

* * * * *

Although unit raw material costs declined marginally for mill producers between interim 1998 and interim 1999, there was an absence of significant decreases in raw material costs, as noted for the other product categories. The larger relative decline in sales quantity was also in sharp contrast with the LWR and circular welded carbon steel pipe and tube product categories.

Company-specific financial information related to OCTG other than drill pipe is provided in table OCTG-III-11. Between 1997 and 1998, producers reported either small increases or decreases in unit sales values. With the exception of ***, all producers reported *** lower sales volume between 1997 and 1998. During this period, ***. In contrast, *** reported higher unit costs in each period. ***, while reporting lower raw material costs in interim 1999, reported significantly higher other factory costs on a unit basis. *** reported both higher factory costs and higher raw material costs. The *** fall in unit sales values for interim 1999 exceeded the *** reduction in unit COGS and resulted in *** reporting negative gross profit.

Table OCTG-III-11

Results of operations of U.S. producers/processors in the production of oil country tubular goods other than drill pipe, by firm, fiscal years 1997-98, January-September 1998, and January-September 1999

* * * * *

Drill Pipe

Table OCTG-III-12 presents aggregated income-and-loss data for three U.S. mill producers of drill pipe. *** of sales revenue in 1998 reported in table OCTG-III-12 was accounted for by ***, with *** percent of the total. *** was the next largest producer at *** percent of total sales revenue, followed by *** with *** percent.¹⁰

Table OCTG-III-12

Results of operations of U.S. producers in the production of drill pipe, fiscal years 1997-98, January-September 1998, and January-September 1999

* * * * *

***. Despite the effect of the *** on the average, overall drill pipe operating-income ratios improved between 1997 and 1998 and then deteriorated in the latter part of 1998 and *** in interim 1999. The *** resulted in negative estimated cash flows from operations in interim 1999.

Unlike the other product categories, drill pipe sales quantity and sales value increased between 1997 and 1998, resulting in a *** increase in total operating income. Similar to the other product categories, however, drill pipe unit sales values declined throughout the period. Between 1997 and 1998, the *** reduction in average unit cost (raw material and *** other factory costs) was primarily because ***. The average unit sales and cost values per short ton are provided in table OCTG-III-13.

Table OCTG-III-13

Results of operations (per short ton) of U.S. producers in the production of drill pipe, fiscal years 1997-98, January-September 1998, and January-September 1999

* * * * *

Company-specific financial information related to drill pipe is provided in table OCTG-III-14. The *** increase in drill pipe sales volume and value between 1997 and 1998 was attributable to ***. ***.

Table OCTG-III-14

Results of operations of U.S. producers in the production of drill pipe, by firm, fiscal years 1997-98, January-September 1998, and January-September 1999

* * * * *

¹⁰ ***.

Capital Expenditures, R&D Expenses, and Investment in Productive Facilities

The responding firms' data on capital expenditures, R&D expenses, and the value of their property, plant, and equipment are shown in tables OCTG-III-15 and OCTG-III-16.

Table OCTG-III-15

Capital expenditures by firm, total value of assets, and R&D expenses of U.S. mill producers and processors of oil country tubular goods other than drill pipe, fiscal years 1997-98, January-September 1998, and January-September 1999

* * * * *

Table OCTG-III-16

Capital expenditures by firm, total value of assets, and R&D expenses of U.S. producers of drill pipe, fiscal years 1997-98, January-September 1998, and January-September 1999

* * * * *

OCTG-IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

U.S. IMPORTS

Oil Country Tubular Goods (OCTG) Other Than Drill Pipe

Import data in table OCTG-IV-1 were compiled from official U.S. Department of Commerce statistics as adjusted by Commission staff.¹ As the table indicates, imports from both subject countries accounted for a very small percentage of all imports of oil country tubular goods (OCTG) other than drill pipe during the periods under review.

Ten importers provided usable data on OCTG other than drill pipe, accounting for 24.5 percent of imports in the 1999 interim period based on official statistics. Most of these importers are located in Texas or Oklahoma, with two located in ***. The largest U.S. importer in terms of quantity in 1998 was ***, accounting for approximately *** of imports based on questionnaire data. It imported exclusively from ***. *** imported subject OCTG other than drill pipe from Canada. There were no reported imports of OCTG other than drill pipe from Taiwan.

Table OCTG-IV-1

Oil country tubular goods other than drill pipe: U.S. imports, by sources, 1997–98, January–September 1998, and January–September 1999

Source	Calendar year		January–September	
	1997	1998	1998	1999
	Quantity (short tons)			
Canada ¹	***	***	***	***
Taiwan	3	5	2	43
All subject countries	***	***	***	***
Other sources ²	***	***	***	***
Total	398,258	339,463	288,987	95,021
	Value (\$1,000)			
Canada ¹	***	***	***	***
Taiwan	19	12	6	66
All subject countries	***	***	***	***
Other sources ²	***	***	***	***
Total	302,033	261,486	218,809	76,396

Footnotes appear at the end of the table (next page).

¹ Commission staff adjusted Canadian import figures by an amount equal to ***. Commission staff also adjusted Canadian import figures for 1998 and 1999 because of confirmed subject imports of OCTG other than drill pipe from *** not yet reflected in official Commerce statistics.

Table OCTG-IV-1—Continued

Oil country tubular goods other than drill pipe: U.S. imports, by sources, 1997–98, January–September 1998, and January–September 1999

Source	Calendar year		January–September	
	1997	1998	1998	1999
	Unit value (per short ton)			
Canada ¹	\$***	\$***	\$***	\$***
Taiwan	6,608	2,396	2,443	1,520
All subject countries	***	***	***	***
Other sources ²	***	***	***	***
Total	758	770	757	804
	Share of quantity (percent)			
Canada ¹	***	***	***	***
Taiwan	(3)	(3)	(3)	(3)
All subject countries	***	***	***	***
Other sources ^{2, 4}	***	***	***	***
Total	100.0	100.0	100.0	100.0
	Share of value (percent)			
Canada ¹	***	***	***	***
Taiwan	(3)	(3)	(3)	0.1
All subject countries	***	***	***	***
Other sources ^{2, 4}	***	***	***	***
Total	100.0	100.0	100.0	100.0
<p>¹ OCTG produced by Welded Tube of Canada and IPSCO are excluded from the AD order on OCTG from Canada. The figures shown for Canada include subject imports only. Figures adjusted for ***.</p> <p>² Includes nonsubject imports from Canada.</p> <p>³ Less than 0.05 percent.</p> <p>⁴ In 1998, imports from Germany accounted for ***; China accounted for ***. Figures shown for 1997–99 include nonsubject imports from Canada, ***.</p>				
<p>Note—Because of rounding, figures may not add to the totals shown; unit values and shares are computed from the unrounded data.</p>				
<p>Source: Compiled from official statistics of the U.S. Department of Commerce, except where noted.</p>				

Drill Pipe

Import data in table OCTG-IV-2 were compiled from official Commerce statistics. As the table indicates, although Canada alone accounted for 13 percent of imports in 1997, imports from both subject countries together accounted for less than 5 percent of all imports of drill pipe during the periods under review since 1997. Only two importers, *** and ***, provided usable data on drill pipe. *** imported drill pipe from ***, accounting for *** percent of imports in that year based on official statistics. *** bought *** from ***, accounting for *** percent of imports in the 1999 interim period based on official statistics. There were no reported imports of subject drill pipe during the periods under review.

Table OCTG-IV-2

Drill pipe: U.S. imports, by sources, 1997–98, January–September 1998, and January–September 1999

Source	Calendar year		January–September	
	1997	1998	1998	1999
	Quantity (short tons)			
Canada	1,786	323	277	96
Taiwan	0	1	1	21
All subject countries	1,786	324	277	116
Other sources	11,777	7,836	7,274	2,499
Total	13,563	8,160	7,551	2,615
	Value (\$1,000)			
Canada	4,821	840	569	394
Taiwan	0	2	2	25
All subject countries	4,821	842	570	419
Other sources	9,410	13,952	12,483	2,845
Total	14,231	14,794	13,054	3,265
	Unit value (per short ton)			
Canada	\$2,700	\$2,602	\$2,055	\$4,121
Taiwan	(')	2,513	2,513	1,219
All subject countries	2,700	2,602	2,056	3,608
Other sources	799	1,780	1,716	1,139
Total	1,049	1,813	1,729	1,248

Footnotes appear at the end of the table (next page).

Table OCTG-IV-2—Continued

Drill pipe: U.S. imports, by sources, 1997–98, January–September 1998, and January–September 1999

Source	Calendar year		January–September	
	1997	1998	1998	1999
	Share of quantity (percent)			
Canada	13.2	4.0	3.7	3.7
Taiwan	0.0	(²)	(²)	0.8
All subject countries	13.2	4.0	3.7	4.4
Other sources ³	86.8	96.0	96.3	95.6
Total	100.0	100.0	100.0	100.0
	Share of value (percent)			
Canada	33.9	5.7	4.4	12.1
Taiwan	0.0	(²)	(²)	0.8
All subject countries	33.9	5.7	4.4	12.8
Other sources	66.1	94.3	95.6	87.2
Total	100.0	100.0	100.0	100.0
¹ Not applicable. ² Less than 0.05 percent. ³ In 1998, imports from China accounted for 54.9 percent of nonsubject imports by quantity; Germany accounted for 15.8 percent. Note—Because of rounding, figures may not add to the totals shown; unit values and shares are calculated from the unrounded data. Source: Compiled from official statistics of the U.S. Department of Commerce.				

U.S. IMPORTERS' INVENTORIES

No respondent reported inventories of any subject OCTG during the periods under review. Inventories of nonsubject OCTG other than drill pipe and drill pipe were reported from ***, among other countries.

THE INDUSTRIES IN CANADA AND TAIWAN

Foreign industry capacity for producing welded carbon steel pipes and tubes was compiled from questionnaire responses and from industry directories. Data for only mills capable of producing product 16 inches and smaller in outside diameter are included. These data are shown in appendix G.

No producers of OCTG in Taiwan² or producers of drill pipe in Canada responded to the Commission's questionnaires with usable data. In its response to the notice of institution in these reviews, counsel for U.S. producers listed four OCTG producers in Canada and estimated that Canada has an aggregate production capacity of 1.25 million short tons; and in its response to the notice of institution for these reviews, counsel for a Canadian producer estimated an aggregate production capacity of ***. No differentiation was made between production capacity for OCTG other than drill pipe and drill pipe. Four Canadian producers of OCTG other than drill pipe—Algoma,³ Atlas Tube, Prudential Steel, and Stelpipe—agreed to participate in these reviews and responded to the Commission's questionnaire with usable data (table OCTG-IV-3). All responding Canadian producers of OCTG other than drill pipe except for Atlas Tube are certified by the American Petroleum Institute (API).

As reported in appendix H, table H-3, Canada exported 2,252 short tons of OCTG other than drill pipe worldwide in 1998, according to United Nations (UN) data. As reported in appendix H, table H-4, Canada exported 796 short tons of drill pipe worldwide in 1998, according to UN data. Any exports by Welded Tube of Canada and IPSCO, two Canadian producers excluded from the antidumping duty order, would be included in the UN data.

Table OCTG-IV-3

Oil country tubular goods other than drill pipe: Data for responding producers in Canada, 1997–98, January–September 1998, and January–September 1999⁴

* * * * *

Relying on incomplete data, in its response to the notice of institution for these reviews, counsel for U.S. producers listed three undifferentiated OCTG producers in Taiwan, alleged the existence of additional producers, and estimated that Taiwan has an aggregate production capacity of at least 344,000 short tons, based on production figures for two of the three listed companies.

The Commission sent a cable transmission to the American Institute in Taiwan (AIT), requesting information on the OCTG industry in Taiwan. The AIT responded with the following information on “oil drill pipes” extracted from “Steel Statistics Monthly” published by Taiwan’s Steel and Iron Industry Association, with production/demand data provided by manufacturers and export data provided by Customs.

² For Taiwan, the Commission identified three names and fax numbers of possible producers of OCTG. Questionnaires were successfully transmitted to all companies; none responded.

³ According to public sources, Algoma’s facility in Sault Ste. Marie was closed in late 1999, ***. At the hearing in these reviews, counsel appearing for Siderca, an Argentine producer of OCTG and a ***, stated that Siderca is in the “due diligence phase” of its talks to lease or rent the Sault Ste. Marie facility for operation. Hearing transcript, pp. 275, 281. Siderca’s counsel stated at the March 2000 hearing that the agreement between Algoma and Siderca could be concluded by mid-2000. Transcript, p. 295. Wayne Conrad, national sales manager of Stelpipe (a Canadian OCTG producer participating in these reviews), stated at the hearing it would be 12 to 18 months after an agreement between Algoma and Siderca is signed before production could resume. Transcript, pp. 287–288. Gary Gajdzik, general manager of U.S. Steel’s Tubular Product Group, cited “recent press reports” at the hearing that indicated production at Algoma could resume in late 2000 and responded to a question by Commissioner Hillman by saying the plant could resume production “in a matter of a couple of months.” Transcript, pp. 138, 151.

⁴ All data for responding producers of OCTG from Canada is confidential because of the addition of the data for one Canadian producer—Prudential Steel, which agreed to participate in these review—following the hearing held in these reviews.

Year	Domestic Taiwanese production	Domestic Taiwanese demand
Quantity (short tons)		
1991	32,955	35,827
1992	34,364	36,969
1993	34,143	36,080
1994	31,746	34,524
1995	7,937	8,631
<p>"Note: According to the Steel and Iron Association, since 1996, there has been no record submitted by the manufacturers regarding the production and demand of this product." Response of American Institute in Taiwan, April 2000.</p>		

Year	Export volume (short tons)	Export value (NTD 1,000)
1991	0	0
1992	0	0
1993	0	0
1994	1	177
1995	106	7,303
1996	1	251
1997	40	4,347
1998	374	8,592
1999	2,756	55,761

AIT noted that "the major problem in Taiwan's steel pipe and tube industry is overcapacity."⁵

As reported in appendix G, table G-7, Taiwan has an estimated capacity to produce at least 807,000 short tons of welded carbon steel pipes and tubes, which includes not only OCTG but other welded circular pipes and tubes and noncircular tubes. Of the firms listed with published capacity data, two firms with a capacity of 290,000 short tons have the ability to produce pipes to API standards (which includes line pipe). Of the firms listed without published capacity data, Joysolind has the ability to produce pipes to API 5CT standards, and Kao Hsing Chang Iron & Steel has the ability to produce pipes to API 5L standards. Two other firms in Taiwan are API-certified. Commission staff was unable to derive exports of OCTG other than drill pipe or drill pipe from Taiwan worldwide because Taiwan is not a UN member.

⁵ Response of American Institute in Taiwan, April 2000.

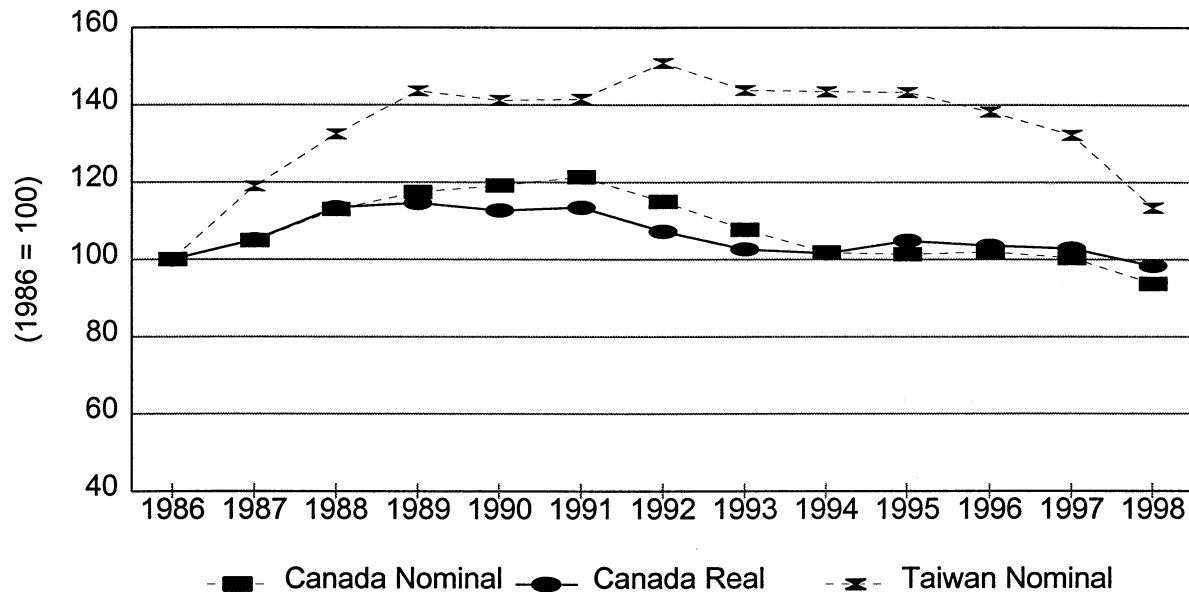
OCTG-V: PRICING AND RELATED INFORMATION

EXCHANGE RATES

Antidumping duty orders on oil country tubular goods (OCTG) from Canada and Taiwan date from 1986. Since 1986, the real annual average value of the Canadian dollar relative to the U.S. dollar first irregularly increased to a high 15 percent above its 1986 value in 1989, and then slowly declined to 2 percent below the 1986 value in 1998. The relative nominal value of the Taiwan NT dollar increased to a high in 1992 50.7 percent above the 1986 relative value, then declined to be in 1998, approximately 13 percent above the 1986 relative value. Overall, net changes in exchange rates have little impact on the cost of Canadian OCTG, and have tended to make OCTG from Taiwan more costly since 1986 (figure OCTG-V-1).

Figure OCTG-V-1

Indices of the nominal and real exchange rates of the Canadian dollar, and the nominal exchange rate of the Taiwan NT dollar relative to the U.S. dollar, 1986-98



Source: International Monetary Fund, International Financial Statistics, 1999 Yearbook, and Central Bank of China, www.cbc.gov.tw/www/eng/index.html retrieved December 1, 1999, and www.stls.frb.org/fred/data/exchange/extaus retrieved December 8, 1999.

OTHER FACTORS AFFECTING PRICING

The primary raw material input in the production of welded OCTG is steel sheet. The primary raw material input in the production of seamless OCTG is steel billets. Producers and importers of OCTG generally reported that prices for OCTG were dependent on the level of drilling activity, or the price of oil and gas, not on the cost of raw materials. Four of the eight responding purchasers of OCTG reported that U.S. inland freight was an important factor in purchases, but only one responding purchaser of nonsubject imports reported differences in U.S. inland transportation costs between domestic and imported OCTG.

PRICING PRACTICES

Three domestic producers of OCTG reported more than *** percent of sales under contract. *** reported that sales under contract accounted for *** percent of sales, respectively. Contracts by these producers fix price for an estimated quantity. Lead times on sales from stock varied from 1 to 14 days, and lead times on sales from mill production were up to 90 days. Sales of OCTG by domestic producers are generally quoted f.o.b. mill, and terms are 30 to 60 days, with some discount for early payment. ***.

Three of 11 responding importers of OCTG report sales under contract with contract duration longer than lead times. *** report sales under contract of *** percent, respectively. ***. Two importers primarily serve the Northeastern States, two the Gulf Coast area, one reported serving any area with a deep water port, and one importer (***) reported serving all major oil and gas producing areas.

PRICE DATA

Pricing Products

Quarterly quantity and value information was requested for the first quarter of 1997 through the third quarter of 1999. Prices were requested for 10 OCTG products other than drill pipe, and three drill pipe products. Products for which information was requested were:

OCTG other than drill pipe

Product 1.—Tubing, grade J-55, 2-7/8 inches O.D., 6.16 lbs./ft., special chemistry green tubes, completely unfinished, with carbon and alloy content necessary to make it upgradeable by quenching and tempering to API grades N-80, L-80, or P-110, range 2, welded, full-body normalized

Product 2.—Tubing, grade J-55, 2-7/8 inches O.D., 6.16 lbs./ft., special chemistry green tubes, completely unfinished, with carbon and alloy content necessary to make it upgradeable by quenching and tempering to API grades N-80, L-80, or P-110, range 2, welded, seam annealed

Product 3.—Tubing, grade J-55, 2-7/8 inches O.D., 6.16 lbs./ft., green tubes, completely unfinished, range 2, welded, further stretch reduced

Product 4.—Tubing, grade J-55, 2-3/8 inches O.D., wall thickness 0.190 inches, 4.60 lbs./ft., upset, API 8 round threaded and coupled, welded, seam annealed

Product 5.—Tubing, grade J-55, 2-7/8 inches O.D., 6.60 lbs./ft., upset, API 8 round, threaded and coupled, range 2, welded, full body normalized

Product 6.—Tubing, grade J-55, 2-7/8 inches O.D., 6.60 lbs./ft., upset, API 8 round, threaded and coupled, range 2, welded, seam annealed

Product 7.—Casing, grade N-80, 7 inches O.D. 23.00 lbs./ft., long threaded and coupled, range 2, seamless

Product 8.—Casing, grade N-80, 7 inches O.D. 23.00 lbs./ft., long threaded and coupled, range 2, welded

Product 9.—Casing, grade A-500, 7 inches O.D., 15.58 lbs./ft., (0.215 inch wall thickness) welded, non-threaded plain ends

Product 10.—Casing, grade P-110, 9-5/8 inches O.D., 53.50 lbs./ft., (0.545 inch wall thickness) long threaded and coupled, seamless

Drill pipe

Product 1.—Drill pipe, 3-1/2 inches, 13.30 lb., grade X-95 without tool joints

Product 2.—Drill pipe, 4-1/2 inches, 16.60 lb., grade E without tool joints

Product 3.—Drill pipe, 4-1/2 inches, 16.60 lb., grade E with tool joints

Price Trends

Reported price data accounts for approximately 4.9 percent of domestic producers' U.S. shipments of OCTG in 1998. Reported price data on subject OCTG other than drill pipe from Canada in 1998 accounts for *** percent of Canadian imports of OCTG other than drill pipe. There were no reported sales of OCTG from Taiwan.

There were reported sales of domestically produced OCTG other than drill pipe products 4, 5, 6, 8, and 10 to U.S. distributors, and reported sales of domestically produced products 7 and 10 to end users. The only reported sales of imported Canadian OCTG other than drill pipe were sales of product 9 from the third quarter of 1998 through the third quarter of 1999, and sales of product 3 for three quarters; but as there were no sales of domestically produced products 9 or 3, no comparisons were possible. There were no reported sales of the three drill pipe products, either from domestic producers or importers.

While there were no reported sales of OCTG imported from Canada that were directly comparable to domestically produced OCTG, there were reported sales of OCTG produced in Canada that are somewhat similar to products produced and sold by domestic producers. Domestic producers reported sales to distributors of three tubing products in every quarter. These three products were product 4, 5, and 6. Importers of OCTG from Canada reported sales to distributors of product 3 in three quarters. The imported unfinished tube (product 3) sold at prices ranging from *** percent below the same size finished tube (products 5 and 6). Reported quantities and selling prices of the tubing products are shown in table OCTG-V-1, and graphically in appendix N.

There were reported sales of three casing products to distributors: domestically produced product 8 and 10 and product 9 imported from Canada. There were also sales of two casing products to end users: domestically produced products 7 and 10. The reported prices for the imported casing were significantly lower than the price of the domestically produced casing. However, welded products are typically priced lower than similar seamless products, and the Canadian product has a thinner wall, is of a lower grade steel, and is not threaded and coupled. Reported quantities and prices for the casing products are shown in table OCTG-V-2, and graphically in appendix N.

Table OCTG-V-1

Oil country tubular goods: Quantity and weighted-average U.S. selling prices of tubing products sold to distributors by domestic producers and importers, by quarter, January 1997-September 1999

* * * * *

Table OCTG-V-2

Oil country tubular goods: Quantity and weighted-average U.S. selling prices of casing products sold by domestic producers and importers, by quarter, January 1997-September 1999

* * * * *

APPENDIX A

***FEDERAL REGISTER NOTICES AND
COMMISSION'S STATEMENT ON ADEQUACY***

**INTERNATIONAL TRADE
COMMISSION**

[Investigations Nos. 701-TA-253 and 271 (Review) and 731-TA-132, 252, 271, 273, 276-277, 296, 318, 409-410, 532-534, and 536-537 (Review)]

Certain Pipe and Tube From Argentina, Brazil, Canada, India, Israel, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela

AGENCY: United States International Trade Commission.

ACTION: Institution of five-year reviews concerning the countervailing duty and antidumping duty orders on certain pipe and tube from Argentina, Brazil,

Canada, India, Israel, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the countervailing duty and antidumping duty orders on certain pipe and tube from Argentina, Brazil, Canada, India, Israel, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission; ¹ to be assured of consideration, the deadline for responses is June 22, 1999. Comments

on the adequacy of responses may be filed with the Commission by July 16, 1999.

For further information concerning the conduct of these reviews and rules of general application, consult the Commission's rules of practice and procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the Rules of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 FR 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at <http://www.usitc.gov/rules.htm>.

EFFECTIVE DATE: May 3, 1999.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202-205-3193) or Vera Libeau (202-205-3176), Office of

Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

SUPPLEMENTARY INFORMATION:

Background

On the dates listed below, the Department of Commerce issued countervailing duty and antidumping duty orders on the subject imports:

Order date	Product/Country	Inv. No	F.R. cite
5/7/84	Small diameter carbon steel pipe & tube/Taiwan	731-TA-132	49 F.R. 19369
3/7/86	Welded carbon steel pipe & tube/Turkey	701-TA-253	51 F.R. 7984
3/7/86	Welded carbon steel line pipe/Turkey	701-TA-253	51 F.R. 7984
3/11/86	Welded carbon steel pipe & tube/Thailand	731-TA-252	51 F.R. 8341
5/12/86	Welded carbon steel pipe & tube/India	731-TA-271	51 F.R. 17384
5/15/86	Welded carbon steel pipe & tube/Turkey	731-TA-273	51 F.R. 17784
6/16/86	Oil country tubular goods/Canada	731-TA-276	51 F.R. 21782
6/18/86	Oil country tubular goods/Taiwan	731-TA-277	51 F.R. 22098
11/13/86	Small diameter standard & rectangular pipe & tube/Singapore	731-TA-296	51 F.R. 41142
3/6/87	Oil country tubular goods/Israel	731-TA-318	52 F.R. 7000
3/6/87	Oil country tubular goods/Israel	701-TA-271	52 F.R. 6999
3/27/89	Light-walled rectangular tube/Taiwan	731-TA-410	54 F.R. 12467
5/26/89	Light-walled rectangular tube/Argentina	731-TA-409	54 F.R. 22794
11/2/92	Circular welded nonalloy steel pipe/Brazil	731-TA-532	57 F.R. 49453
11/2/92	Circular welded nonalloy steel pipe/Korea	731-TA-533	57 F.R. 49453
11/2/92	Circular welded nonalloy steel pipe/Mexico	731-TA-534	57 F.R. 49453
11/2/92	Circular welded nonalloy steel pipe/Taiwan	731-TA-536	57 F.R. 49454
11/2/92	Circular welded nonalloy steel pipe/Venezuela	731-TA-537	57 F.R. 49453

The Commission is conducting reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include

information provided in response to this notice.

Definitions

The following definitions apply to these reviews:

(1) Subject Merchandise is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) The Subject Countries in these reviews are Argentina, Brazil, Canada,

India, Israel, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela.

(3) The Domestic Like Product is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the Subject Merchandise. The Domestic Like Products the Commission defined in its original affirmative determinations are listed below:

Investigation	Domestic like product
Small diameter carbon steel pipe and tube/Taiwan.	One Domestic Like Product: circular welded carbon steel pipes and tubes with an outside diameter of at least 0.375 inch but not more than 4.5 inches.

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 99-5-005.

expiration date June 30, 1999. Public reporting burden for the request is estimated to average 7 hours per response. Please send comments regarding the accuracy of this burden estimate to

the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW, Washington, DC 20436.

Investigation	Domestic like product
Welded carbon steel line pipe and pipe and tube/Turkey. Welded carbon steel pipe and tube/Thailand Welded carbon steel pipe and tube/India	One Domestic Like Product: circular welded carbon steel standard pipes and tubes with outside diameter of at least 0.375 inch but not more than 16 inches. The countervailing duty determination with respect to Turkey found a second Domestic Like Product, defined as circular welded carbon steel line pipes and tubes with outside diameter of at least 0.375 inch but not more than 16 inches.
Oil country tubular goods/Canada Oil country tubular goods/Taiwan	Two Domestic Like Products: (1) oil country tubular goods (OCTG), i.e., green tubes and finished, seamless and welded, casing and tubing, and (2) drill pipe. Certain Commissioners defined the Domestic Like Product differently. The Commission examined the impact of the subject imports on all OCTG because the available data in the investigations did not permit the identification of drill pipe as a separate industry.
Oil country tubular goods/Israel	One Domestic Like Product: all OCTG, including drill pipe. Certain Commissioners defined the Domestic Like Product differently. The Commission examined the impact of the subject imports on all OCTG because the available data in the investigations did not permit the identification of drill pipe as a separate industry.
Small diameter standard and rectangular pipe and tube/Singapore.	One Domestic Like Product: rectangular welded carbon steel pipes and tubes having less than 0.156 inch wall thickness.
Light-walled rectangular tube/Taiwan Light-walled rectangular tube/Argentina Circular welded nonalloy steel pipe/Brazil Circular welded nonalloy steel pipe/Korea Circular welded nonalloy steel pipe/Mexico Circular welded nonalloy steel pipe/Taiwan Circular welded nonalloy steel pipe/Venezuela	One Domestic Like Product: standard and structural pipes and tubes, including unfinished conduit pipe.

For purposes of this notice, you should report information separately on each of the following Domestic Like Products: (1) Circular welded carbon steel pipes and tubes with an outside diameter of at least 0.375 inch but not more than 4.5 inches, (2) circular welded carbon steel standard pipes and tubes with outside diameter of at least 0.375 inch but not more than 16 inches, (3) circular welded carbon steel line

pipes and tubes with outside diameter of at least 0.375 inch but not more than 16 inches, (4) OCTG excluding drill pipe, i.e., green tubes and finished, seamless and welded, casing and tubing, (5) drill pipe, (6) OCTG including drill pipe, (7) rectangular welded carbon steel pipes and tubes having less than 0.156 inch wall thickness, and (8) standard and structural pipes and tubes, including unfinished conduit pipe.

(4) The Domestic Industry is the U.S. producers as a whole of the Domestic Like Product, or those producers whose collective output of the Domestic Like Product constitutes a major proportion of the total domestic production of the product. The Domestic Industries the Commission defined in its original determinations are listed below:

Investigation	Domestic industry
Small diameter carbon steel pipe and tube/Taiwan. Welded carbon steel line pipe and pipe and tube/Turkey. Welded carbon steel pipe and tube/Thailand Welded carbon steel pipe and tube/India	One Domestic Industry: producers of circular welded carbon steel pipes and tubes with an outside diameter of at least 0.375 inch but not more than 4.5 inches. One Domestic Industry: producers of circular welded carbon steel standard pipes and tubes with outside diameter of at least 0.375 inch but not more than 16 inches. The countervailing duty determination with respect to Turkey found a second Domestic Industry, defined as producers of circular welded carbon steel line pipes and tubes with outside diameter of at least 0.375 inch but not more than 16 inches.
Oil country tubular goods/Canada Oil country tubular goods/Taiwan	Two Domestic Industries: (1) producers of OCTG, i.e., green tubes and finished, seamless and welded, casing and tubing, and (2) producers of drill pipe. Certain Commissioners defined the Domestic Industry differently. The Commission examined the impact of the subject imports on all OCTG because the available data in the investigations did not permit the identification of drill pipe as a separate industry.
Oil country tubular goods/Israel	One Domestic Industry: producers of all OCTG, including drill pipe. Certain Commissioners defined the Domestic Industry differently. The Commission examined the impact of the subject imports on all OCTG because the available data in the investigations did not permit the identification of drill pipe as a separate industry.
Small diameter standard and rectangular pipe and tube/Singapore.	One Domestic Industry: producers of rectangular welded carbon steel pipes and tubes having less than 0.156 inch wall thickness.
Light-walled rectangular tube/Taiwan Light-walled rectangular tube/Argentina Circular welded nonalloy steel pipe/Brazil Circular welded nonalloy steel pipe/Korea Circular welded nonalloy steel pipe/Mexico Circular welded nonalloy steel pipe/Taiwan Circular welded nonalloy steel pipe/Venezuela	One Domestic Industry: producers of standard and structural pipes and tubes, including unfinished conduit pipe.

For purposes of this notice, you should report information separately on each of the following Domestic Industries: (1) Producers of circular

welded carbon steel pipes and tubes with an outside diameter of at least 0.375 inch but not more than 4.5 inches, (2) producers of circular welded carbon

steel standard pipes and tubes with outside diameter of at least 0.375 inch but not more than 16 inches, (3) ^{A-5} producers of circular welded carbon

steel line pipes and tubes with outside diameter of at least 0.375 inch but not more than 16 inches, (4) producers of OCTG excluding drill pipe, i.e., green tubes and finished, seamless and welded, casing and tubing, (5) producers of drill pipe, (6) producers of OCTG including drill pipe, (7) producers of rectangular welded carbon steel pipes and tubes having less than 0.156 inch wall thickness, and (8) producers of standard and structural pipes and tubes, including unfinished conduit pipe.

(5) The Order Date is the date that the countervailing duty and antidumping duty orders under review became effective. In these reviews, the Order Dates are as shown in the preceding tabulation.

(6) An Importer is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the Subject Merchandise into the United States from a foreign manufacturer or through its selling agent.

Participation in the Reviews and Public Service List

Persons, including industrial users of the Subject Merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Limited Disclosure of Business Proprietary Information (BPI) Under an Administrative Protective Order (APO) and APO Service List

Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. § 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification

Pursuant to § 207.3 of the Commission's rules, any person

submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written Submissions

Pursuant to § 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is June 22, 1999. Pursuant to § 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is July 16, 1999. All written submissions must conform with the provisions of §§ 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of §§ 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means. Also, in accordance with §§ 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

Inability to Provide Requested Information

Pursuant to § 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification

(or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

Information To Be Provided In Response to This Notice of Institution

Please provide the requested information separately for each Domestic Like Product, as defined above, and for each of the products identified by Commerce as Subject Merchandise. If you are a domestic producer, union/worker group, or trade/business association; import/export Subject Merchandise from more than one Subject Country; or produce Subject Merchandise in more than one Subject Country, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent Subject Country. As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the Domestic Like Product to which your response pertains, a U.S. union or worker group, a U.S. importer of the Subject Merchandise, a foreign producer or exporter of the Subject Merchandise, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the countervailing duty and antidumping duty orders on each Domestic Industry for which you are filing a response in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of Subject Merchandise on the Domestic Industry.

(5) A list of all known and currently operating U.S. producers of each Domestic Like Product for which you are filing a response. Identify any

known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in the Subject Countries that currently export or have exported Subject Merchandise to the United States or other countries since the years the petitions were filed. The Subject Merchandise, the Subject Countries, and the years the petitions were filed are listed below:

Subject merchandise/subject country	Years
Small diameter carbon steel pipe and tube/Taiwan	1983
Welded carbon steel pipe and tube/Turkey	1985
Welded carbon steel line pipe/Turkey	1985
Welded carbon steel pipe and tube/Thailand	1985
Welded carbon steel pipe and tube/India	1985
Welded carbon steel pipe and tube/Turkey	1985
Oil country tubular goods/Canada	1985
Oil country tubular goods/Taiwan	1985
Small diameter standard and rectangular pipe and tube/Singapore	1985
Oil country tubular goods/Israel	1986
Oil country tubular goods/Israel	1986
Light-walled rectangular tube/Taiwan	1988
Light-walled rectangular tube/Argentina	1988
Circular welded nonalloy steel pipe/Brazil	1991
Circular welded nonalloy steel pipe/Korea	1991
Circular welded nonalloy steel pipe/Mexico	1991
Circular welded nonalloy steel pipe/Taiwan	1991
Circular welded nonalloy steel pipe/Venezuela	1991

(7) If you are a U.S. producer of a Domestic Like Product, provide the following information separately on your firm's operations on each product during calendar year 1998 (report quantity data in short tons and value data in thousands of U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of each Domestic Like Product accounted for by your firm's(s'') production; and

(b) the quantity and value of U.S. commercial shipments of each Domestic Like Product produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from the Subject Countries, provide the following information on your firm's(s'') operations on that product during calendar year 1998 (report quantity data in short tons and value data in thousands of U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of Subject Merchandise from the Subject Countries accounted for by your firm's(s'') imports; and

(b) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of Subject Merchandise imported from the Subject Countries.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in the Subject Countries, provide the following information on your firm's(s'') operations on that product during calendar year 1998 (report quantity data in short tons and value data in thousands of U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of Subject Merchandise in the Subject Countries accounted for by your firm's(s'') production; and

(b) the quantity and value of your firm's(s'') exports to the United States of Subject Merchandise and, if known, an estimate of the percentage of total exports to the United States of Subject Merchandise from the Subject Countries accounted for by your firm's(s'') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for each Domestic Like Product that have occurred in the United States or in the market for the Subject Merchandise in the Subject Countries since the Order Dates, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of

production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Product produced in the United States, Subject Merchandise produced in the Subject Countries, and such merchandise from other countries.

(11) (OPTIONAL) A statement of whether you agree with the above definitions of the Domestic Like Product and Domestic Industry; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.61 of the Commission's rules.

Issued: April 26, 1999.

By order of the Commission.

Donna R. Koehnke,
Secretary.

[FR Doc. 99-11011 Filed 4-30-99; 8:45 am]

BILLING CODE 7020-02-P

procedure (19 CFR 207.69), the subject review is terminated.

EFFECTIVE DATE: June 7, 1999.

FOR FURTHER INFORMATION CONTACT: Vera Libeau (202-205-3176), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

Authority: This review is being terminated under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.69 of the Commission's rules (19 CFR 207.69).

By order of the Commission.

Issued: June 8, 1999.

Donna R. Koehnke,
Secretary.

[FR Doc. 99-15118 Filed 6-14-99; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 701-TA-253 (Review)]

Welded Carbon Steel Line Pipe From Turkey

AGENCY: United States International Trade Commission.

ACTION: Termination of five-year review.

SUMMARY: The subject five-year review was initiated in May 1999 to determine whether revocation of the existing countervailing duty order would be likely to lead to continuation or recurrence of subsidization and of material injury to a domestic industry. On June 7, 1999, the Department of Commerce published notice that it was revoking the order because no domestic interested party responded to its notice of initiation by the applicable deadline (64 FR 30305, June 7, 1999). Accordingly, pursuant to § 207.69 of the Commission's rules of practice and

**INTERNATIONAL TRADE
COMMISSION**

[Investigations Nos. 701-TA-271 and 731-TA-318 (Review)]

Oil Country Tubular Goods From Israel

AGENCY: United States International Trade Commission.

ACTION: Termination of five-year reviews.

SUMMARY: The subject five-year reviews were initiated in May 1999 to determine whether revocation of the existing countervailing duty and antidumping duty orders would be likely to lead to continuation or recurrence of dumping and of material injury to a domestic industry. On July 27, 1999, the Department of Commerce published notice that it was revoking the orders because it determined that no domestic interested party intends to participate in the reviews (64 FR 40548, July 27, 1999). Accordingly, pursuant to § 207.69 of the Commission's rules of practice and procedure (19 CFR 207.69), the subject reviews are terminated.

EFFECTIVE DATE: July 27, 1999.

FOR FURTHER INFORMATION CONTACT: Vera Libeau (202-205-3176), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

Authority: These reviews are being terminated under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.69 of the Commission's rules (19 CFR 207.69).

Issued: July 30, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99-20046 Filed 8-3-99; 8:45 am]

BILLING CODE 7020-02-P

**INTERNATIONAL TRADE
COMMISSION**

[Investigations Nos. 701-TA-253 and 731-TA-132, 252, 271, 273, 276-277, 296, 409-410, 532-534, and 536-537 (Review)]

Certain Pipe and Tube From Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela

AGENCY: United States International Trade Commission.

ACTION: Notice of Commission determinations to conduct full five-year reviews concerning the countervailing duty and antidumping duty orders on certain pipe and tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela.

SUMMARY: The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the countervailing duty and antidumping duty orders on certain pipe and tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B); a schedule for the reviews will be established and announced at a later date.

For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the Rules of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 FR 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at <http://www.usitc.gov/rules.htm>.

EFFECTIVE DATE: August 5, 1999.

FOR FURTHER INFORMATION CONTACT: Bonnie Noreen (202-205-3167), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the

Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

SUPPLEMENTARY INFORMATION: On August 5, 1999, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Act. The Commission, in consultation with the Department of Commerce, grouped these reviews because they involve similar domestic like products. See 19 U.S.C. 1675(c)(5)(D); 63 FR 29372, 29374 (May 29, 1998).

With regard to all subject pipe and tube from Canada, Korea, Mexico, Turkey, and Venezuela, the Commission found that both the domestic and respondent interested party group responses to its notice of institution¹ were adequate and voted to conduct full reviews.

With regard to all subject pipe and tube from Argentina, Brazil, India, Singapore, Taiwan, and Thailand, the Commission found that the domestic interested party groups were adequate² and the respondent interested party group responses were inadequate. The Commission also found that other circumstances warranted conducting full reviews.³

A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's web site.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: August 13, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99-21534 Filed 8-18-99; 8:45 am]

BILLING CODE 7020-02-P

¹ The notice of institution for all of the subject reviews was published in the *Federal Register* on May 3, 1999 (64 FR 23679).

² Commissioner Crawford dissenting with respect to small diameter rectangular pipe and tube from Singapore and light-walled rectangular tube from Argentina and Taiwan.

³ Chairman Bragg and Commissioner Crawford dissenting with respect to small diameter rectangular pipe and tube from Singapore and light-walled rectangular tube from Argentina and Taiwan. Commissioner Crawford also dissented with respect to oil country tubular goods from Taiwan.

**INTERNATIONAL TRADE
COMMISSION****Certain Pipe and Tube From Argentina,
Brazil, Canada, India, Korea, Mexico,
Singapore, Taiwan, Thailand, Turkey,
and Venezuela¹**

AGENCY: United States International Trade Commission.

ACTION: Scheduling of full five-year reviews concerning the countervailing duty and antidumping duty orders on certain pipe and tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela.

SUMMARY: The Commission hereby gives notice of the scheduling of full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the countervailing duty and antidumping duty orders on certain pipe and tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela would be likely to lead to continuation or recurrence of material injury. For further information concerning the conduct of these reviews

¹ The products and investigation numbers for the various countries are: Argentina: light-walled rectangular tube (731-TA-409); Brazil: circular welded nonalloy steel pipe (731-TA-532); Canada: oil country tubular goods (731-TA-276); India: welded carbon steel pipe and tube (731-TA-271); Korea: circular welded nonalloy steel pipe (731-TA-533); Mexico: circular welded nonalloy steel pipe (731-TA-534); Singapore: small diameter standard and rectangular pipe and tube (731-TA-296); Taiwan: small diameter carbon steel pipe and tube (731-TA-132), oil country tubular goods (731-TA-277), light-walled rectangular tube (731-TA-410), and circular welded nonalloy steel pipe (731-TA-536); Turkey: welded carbon steel pipe and tube (701-TA-253 and 731-TA-273); Thailand: welded carbon steel pipe and tube (731-TA-252); and Venezuela: circular welded nonalloy steel pipe (731-TA-537).

and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the Rules of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 FR 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at <http://www.usitc.gov/rules.htm>.

EFFECTIVE DATE: September 28, 1999.

FOR FURTHER INFORMATION CONTACT: Brian R. Allen (202-708-4728), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

SUPPLEMENTARY INFORMATION:

Background.—On August 5, 1999, the Commission determined that responses to its notice of institution of the subject five-year reviews were such that full reviews pursuant to section 751(c)(5) of the Act should proceed (64 FR 45276, August 19, 1999). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's web site.

Participation in these reviews and public service list.—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in these reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of these reviews need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to these reviews.

Limited disclosure of business proprietary information (BPI) under an

administrative protective order (APO) and BPI service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these reviews available to authorized applicants under the APO issued in these reviews, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to these reviews. A party granted access to BPI following publication of the Commission's notice of institution of these reviews need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report.—The prehearing staff report in these reviews will be placed in the nonpublic record on February 17, 2000, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the review beginning at 9:30 a.m. on March 9, 2000, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before March 1, 2000. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on March 6, 2000, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* later than 7 days prior to the date of the hearing.

Written submissions.—Each party to these reviews may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is February 29, 2000. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is March 20, 2000; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not

entered an appearance as a party to these reviews may submit a written statement of information pertinent to the subject of these reviews on or before March 20, 2000. On April 17, 2000, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before April 21, 2000, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to these reviews must be served on all other parties to these reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: September 30, 1999.

Donna R. Koehnke,
Secretary.

[FR Doc. 99-26045 Filed 10-5-99; 8:45 am]

BILLING CODE 7020-02-P

DEPARTMENT OF COMMERCE**International Trade Administration****[A-122-506; A-583-505]****Final Results of Expedited Sunset
Reviews: Oil Country Tubular Goods
From Canada and From Taiwan****AGENCY:** Import Administration,
International Trade Administration,
Department of Commerce.**ACTION:** Notice of final results of
expedited sunset review: Oil country
tubular goods from Canada.

SUMMARY: On May 3, 1999, the
Department of Commerce ("the
Department") initiated sunset reviews of
the antidumping duty orders on oil
country tubular goods ("OCTG") from
Canada and from Taiwan (64 FR 23596)
pursuant to section 751(c) of the Tariff
Act of 1930, as amended ("the Act"). On
the basis of notices of intent to
participate and adequate substantive
comments filed on behalf of domestic
interested parties and inadequate
response (in these cases, no response)
from respondent interested parties, the
Department determined to conduct
expedited reviews. As a result of these
reviews, the Department finds that
revocation of the antidumping duty
orders would be likely to lead to
continuation or recurrence of dumping
at the levels indicated in the Final
Results of Reviews section of this
notice.**FOR FURTHER INFORMATION CONTACT:**
Scott E. Smith or Melissa G. Skinner,
Office of Policy for Import
Administration, International Trade
Administration, U.S. Department of
Commerce, 14th Street and Constitution
Avenue, NW, Washington, D.C. 20230;

telephone: (202) 482-6397 or (202) 482-1560, respectively.

EFFECTIVE DATE: December 1, 1999.

Statute and Regulations

These reviews were conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) ("*Sunset Regulations*") and 19 CFR Part 351 (1998) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) ("*Sunset Policy Bulletin*").

Scope

The merchandise subject to these antidumping duty orders is OCTG from Canada and from Taiwan. This includes American Petroleum Institute ("API") specification OCTG and all other pipe with the following characteristics except entries which the Department determined through its end use certification procedure were not used in OCTG applications: length of at least 16 feet; outside diameter of standard sizes published in the API or proprietary specifications for OCTG with tolerances of plus 1/8 inch for diameters less than or equal to 8 5/8 inches and plus 1/4 inch for diameters greater than 8 5/8 inches, minimum wall thickness as identified for a given outer diameter as published in the API or proprietary specifications for OCTG; a minimum of 40,000 PSI yield strength and a minimum 60,000 PSI tensile strength; and if with seams, must be electric resistance welded. Furthermore, imports covered by these reviews include OCTG with non-standard size wall thickness greater than the minimum identified for a given outer diameter as published in the API or proprietary specifications for OCTG, with surface scabs or slivers, irregularly cut ends, ID or OD has not been mechanically tested or has failed those tests.¹ The merchandise is currently, classifiable under the Harmonized Tariff Schedules ("HTSUS") item numbers 7304.20, 7305.20, and 7306.20. The HTSUS item numbers are provided for

convenience and customs purposes. The written description remains dispositive.

The order on OCTG from Canada covers all manufacturers and exporters of Canadian OCTG, excluding Welded Tube of Canada, Ltd. ("Welded Tube") and Ipsco, Inc. ("Ipsco").² The order on OCTG from Taiwan covers all manufacturers and exporters of Taiwanese OCTG.

History of the Orders

The antidumping duty order on OCTG from Canada was published in the **Federal Register** on June 16, 1986 (51 FR 21782).³ The Department, in the antidumping duty order, as amended, established deposit rates for the following producers and/or exporters: 13.00 percent for Algoma Steel Corporation, Ltd. ("Algoma"), 33.78 percent for Ipsco, and 3.18 percent for Sonco Steel Tube, Ltd. ("Sonco"). The Department also established a 16.65 percent deposit rate for all other producers and/or exporters.

Since that time, the Department has conducted six administrative reviews.⁴

² Welded Tube was excluded from the Department's less than fair value determination (see *Antidumping; Oil Country Tubular Goods From Canada; Final Determination of Sales at Less Than Fair Value* 51 FR 15029 (April 22, 1986)). In addition, the Department revoked this order with respect to Ipsco (see *Oil Country Tubular Goods From Canada; Final Results of Antidumping Duty Administrative Review and Revocation in Part of the Antidumping Duty Order*, 61 FR 49733 (September 23, 1996)).

³ The antidumping duty order was subsequently amended. See *Oil Country Tubular Goods (OCTG) From Canada; Amendment to Final Determination of Sales at Less Than Fair Value and Amendment to Antidumping Duty Order* 51 FR 29579 (August 19, 1986) and *Oil Country Tubular Goods From Canada; Amendment to Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order in Accordance With Decision Upon Remand*, 54 FR 41576 (October 10, 1989).

⁴ See *Oil Country Tubular Goods From Canada; Final Results of Antidumping Duty Administrative Review and Revocation in Part of the Antidumping Duty Order*, 61 FR 49733 (September 23, 1996); *Oil Country Tubular Goods From Canada; Final Results of Antidumping Duty Administrative Review*, 60 FR 35898 (July 12, 1995); *Oil Country Tubular Goods From Canada, Final Results of Antidumping Duty Administrative Review*, 59 FR 34409 (July 5, 1994); *Final Results of Antidumping Duty Administrative Reviews Oil Country Tubular Goods From Canada*, 56 FR 41890 (August 23, 1991); *Final Results of Antidumping Duty Administrative Reviews Oil Country Tubular Goods From Canada*, 56 FR 38408 (August 13, 1991); *Final Results of Antidumping Duty Administrative Reviews Oil Country Tubular Goods From Canada*, 55 FR 50379 (December 10, 1990); *Oil Country Tubular Goods From Canada; Amendment to Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order in Accordance With Decision Upon Remand*, 54 FR 41576 (October 10, 1989); *Oil Country Tubular Goods (OCTG) From Canada; Amendment to Final Determination of Sales at Less Than Fair Value and Amendment to Antidumping Duty Order* 51 FR 29579 (August 19, 1986); *Antidumping Duty Order: Oil Country Tubular Goods (OCTG) From Canada*, 51 FR 21782 (June 16, 1986); and *Antidumping; Oil*

We note that, to date, the Department has not issued any duty absorption findings in this case. The order remains in effect for all manufacturers and exporters of the subject merchandise, excluding Welded Tube and Ipsco.

The antidumping duty order on OCTG from Taiwan was published in the **Federal Register** on June 16, 1986 (51 FR 22098). The Department, in the antidumping duty order, established a deposit rate of 26.32 percent for Far East Manufacturing Company ("Far East"). The Department also established a 26.32 percent deposit rate for all other producers and/or exporters. The Department has not conducted any administrative reviews of this order. We note that, to date, the Department has not issued any duty absorption findings in this case. The order remains in effect for all manufacturers and exporters of the subject merchandise.

Background

On May 3, 1999, the Department initiated sunset reviews of the antidumping duty orders on OCTG from Canada and from Taiwan (64 FR 23596), pursuant to section 751(c) of the Act. The Department received Notices of Intent to Participate on behalf of North Star Steel Ohio ("North Star"), Lone Star Steel Company ("Lone Star"), Maverick Tube Corporation ("Maverick"), U.S. Steel Group ("U.S. Steel"), and USS/Kobe Steel Company ("USS/Kobe") (collectively, the "domestic interested parties") on May 18, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*.⁵ The domestic interested parties claimed interested party status under section 771(9)(C) of the Act, as U.S. manufacturers of OCTG. We received complete substantive responses from the domestic interested parties on June 2, 1999, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i).

In its response, Lone Star stated that it participated in the original investigations of OCTG from Canada and from Taiwan. Furthermore, Lone Star and Maverick stated that they had participated in subsequent administrative reviews of the Canadian order. U.S. Steel and USS/Kobe stated that neither has participated before the Department in prior proceedings of the Canadian OCTG order. We did not

Country Tubular Goods From Canada; Final Determination of Sales at Less Than Fair Value 51 FR 15029 (April 22, 1986).

⁵ USS/Kobe only provided a substantive response to the Notice of Initiation of the sunset review of OCTG from Canada. USS/Kobe did not participate in the Department's sunset review of OCTG from Taiwan.

¹ The Department determined, on April 30, 1991, that seamless mechanical tubing/certain coupling stock meeting criteria are excluded from the scope of the order (see *Notice of Scope Rulings*, 56 FR 19833 (April 30, 1991)).

receive a substantive response from any respondent interested party to these proceedings. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department determined to conduct expedited, 120-day, reviews of these orders.

In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995). Therefore, on August 31, 1999, the Department extended the time limit for completion of the final results of these reviews until not later than November 29, 1999, in accordance with section 751(c)(5)(B) of the Act.⁶

Determination

In accordance with section 751(c)(1) of the Act, the Department conducted these reviews to determine whether revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making these determinations, the Department shall consider the weighted-average dumping margins determined in the investigations and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping duty orders, and shall provide to the International Trade Commission ("the Commission") the magnitude of the margin of dumping likely to prevail if the orders are revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. In addition, the domestic interested parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt. 1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the bases for likelihood

determinations. In its *Sunset Policy Bulletin*, the Department indicated that determinations of likelihood will be made on an order-wide basis (*see* section II.A.2). In addition, the Department indicated that normally it will determine that revocation of an antidumping order is likely to lead to continuation or recurrence of dumping where (a) Dumping continued at any level above *de minimis* after the issuance of the order, (b) Imports of the subject merchandise ceased after the issuance of the order, or (c) Dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (*see* section II.A.3).

In addition to considering the guidance on likelihood cited above, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant reviews, the Department did not receive a response from any respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations*, this constitutes a waiver of participation.

In their substantive responses, the domestic interested parties argued that revocation of this antidumping duty orders would likely lead to continuation or recurrence of dumping by Canadian and Taiwanese producers and/or exporters of the subject merchandise. With respect to whether dumping continued at any level above *de minimis* after the issuance of the orders, the domestic interested parties argued that dumping has continued throughout the life of the orders at above *de minimis* levels. Furthermore, USS/Kobe argued that the dumping margins for some Canadian producers and/or exporters have not only continued throughout the life of the order, but have consistently increased.

The domestic interested parties also argued that import volumes have declined significantly since the issuance of the orders. Specifically, the domestic interested parties argued that imports of OCTG from Canada in the year prior to the imposition of the order amounted to over 150,000 tons but have since almost completely ceased. Specifically, North Star stated that imports of OCTG from Canada have dropped to less than 1,500 tons per year. Furthermore, USS/Kobe provided data which indicates that imports of OCTG from Canada in 1998 were less than 2,000 tons and have not exceeded 8,100 tons in any year since 1991.

With respect to the Taiwanese order, Lone Star and Maverick argued that imports of OCTG from Taiwan were nearly 10,000 tons prior to the imposition of the order but have since almost completely disappeared. In fact, Lone Star and Maverick stated that there were no shipments of the subject merchandise from Taiwan in 1998.

In summary, the domestic interested parties argued that the Department should determine that there is a likelihood that dumping would continue were the orders revoked because (1) Dumping margins above *de minimis* levels have been in place since the imposition of the orders and (2) Imports of the subject merchandise have declined significantly since the imposition of the orders.

As discussed in section II.A.3 of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63-64, if companies continue dumping with the discipline of an order in place, the Department may reasonably infer that dumping would continue if the discipline were removed. Dumping margins above *de minimis* levels have continued to exist for shipments of the subject merchandise throughout the life of the orders.

Consistent with section 752(c) of the Act, the Department also considered the volume of imports before and after issuance of the orders. The Department, utilizing U.S. Census Bureau IM146 reports, agrees with the domestic interested parties that imports of the subject merchandise decreased sharply following the imposition of the orders. Furthermore, the Department agrees with Lone Star and Maverick that there were no imports to the United States of Taiwanese OCTG in 1998. However, imports of Taiwanese OCTG did resume in 1999. Despite the dramatic decline in imports of OCTG from Canada and Taiwan and the cessation of imports of Taiwanese OCTG in 1998, the Department can confirm that imports of the subject merchandise continue from both countries.

Based on our analysis of the records in these proceedings, the Department finds that the existence of dumping margins after the issuance of the orders is highly probative of the likelihood of continuation or recurrence of dumping. Deposit rates above *de minimis* levels continue in effect for exports of OCTG by all Canadian and Taiwanese manufacturers and/or exporters subject to the orders.⁷ Therefore, given that

⁶ See *Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 48579 (September 7, 1999).

⁷ As noted above, with respect to the Canadian order, Welded Tube was excluded from the Department's less than fair value determination and the order was revoked with respect to Ipsco (*see*

dumping has continued over the life of the orders and respondent interested parties have waived their right to participate in these reviews before the Department, and absent argument and evidence to the contrary, the Department determines that dumping is likely to continue if the orders were revoked.

Magnitude of the Margin

In the *Sunset Policy Bulletin* the Department stated that it will normally provide to the Commission the margin that was determined in the final determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation. (See section II.B.1 of the *Sunset Policy Bulletin*.) Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations. (See sections II.B.2 and 3 of the *Sunset Policy Bulletin*.)

The Department, in the antidumping duty order on OCTG from Canada, as amended, established deposit rates for the following producers and/or exporters: 13.00 percent for Algoma, 33.78 percent for Ipsco, and 3.18 percent for Sonco. The Department also established a 16.65 percent deposit rate for all other producers and/or exporters (51 FR 21782 (June 16, 1986)).⁸ We note that, to date, the Department has not issued any duty absorption findings in this case.

The Department, in the antidumping duty order on OCTG from Taiwan, established a deposit rate of 26.32 percent for Far East. The Department also established a 26.32 percent deposit rate for all other producers and/or exporters (51 FR 22098 (June 16, 1986)). We note that, to date, the Department has not issued any duty absorption findings in this case.

Antidumping; Oil Country Tubular Goods From Canada; Final Determination of Sales at Less Than Fair Value, 51 FR 15029 (April 22, 1986) and *Oil Country Tubular Goods From Canada; Final Results of Antidumping Duty Administrative Review and Revocation in Part of the Antidumping Duty Order*, 61 FR 49733 (September 23, 1996).

⁸ The antidumping duty order was subsequently amended. See *Oil Country Tubular Goods (OCTG) From Canada: Amendment to Final Determination of Sales at Less Than Fair Value and Amendment to Antidumping Duty Order*, 51 FR 29579 (August 19, 1986) and *Oil Country Tubular Goods From Canada; Amendment to Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order in Accordance With Decision Upon Remand*, 54 FR 41576 (October 10, 1989).

In its substantive responses, the domestic interested parties argued that the Department should report to the Commission the deposit rates established in the original investigations of these orders because, as stated in the *Sunset Policy Bulletin*, they are the only calculated rates that reflect the behavior of producers and/or exporters without the discipline of the order. Furthermore, with respect to the order on OCTG from Canada, USS/Kobe argued that for two additional producers not examined in the original investigation, Christianson Pipe, Ltd. and Prudential Steel, Ltd., the Department should report the all others rate from the original investigation.

The Department agrees with the domestic interested parties. We find that the dumping margins calculated in the original investigations are the only calculated rates that reflect the behavior of exporters without the discipline of the orders. Consistent with the *Sunset Policy Bulletin*, we determine that the margins calculated in the Department's original investigations are probative of the behavior of Canadian and Taiwanese producers and/or exporters of OCTG if the orders were revoked. Therefore, we will report to the Commission the company-specific and "all others" rates from the original investigations contained in the Final Results of Review section of this notice.

Final Results of Reviews

As a result of these reviews, the Department finds that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping at the margins listed below:

	Margin (percent)
Canadian manufacturers/exporters:	
Algoma	13.00
Sonco	3.18
Ipsco	Revoked.
Welded Tube	Excluded.
All Others	16.65
Taiwanese manufacturers/exporters:	
Far East	26.32
All Others	26.32

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested.

Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: November 24, 1999.

Joseph A. Spetrini

Acting Assistant Secretary for Import Administration.

[FR Doc. 99-31225 Filed 11-30-99; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-549-502]

Final Results of Expedited Sunset Review: Circular Welded Carbon Steel Pipes and Tubes from Thailand

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final results of expedited sunset review: Circular Welded Carbon Steel Pipes and Tubes from Thailand.

SUMMARY: On May 3, 1999, the Department of Commerce ("the Department") initiated a sunset review of the antidumping duty order on circular welded carbon steel pipes and tubes from Thailand (64 FR 23596) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and substantive comments filed on behalf of domestic interested parties and inadequate response (in this case, no response) from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels indicated in the Final Results of Review section of this notice.

FOR FURTHER INFORMATION CONTACT: Kathryn B. McCormick or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1698 or (202) 482-1560, respectively.

EFFECTIVE DATE: December 3, 1999.

Statute and Regulations

This review was conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) ("*Sunset Regulations*"), and 19 CFR Part 351(1999) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) ("*Sunset Policy Bulletin*").

Scope

The merchandise subject to this antidumping duty order is certain circular welded carbon steel pipes and tubes, commonly referred to in the industry as "standard pipe" or "structural tubing," with walls not

thinner than 0.065 inches, and 0.375 inches or more, but not over 16 inches in outside diameter. The subject merchandise was classifiable under items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, and 610.3252, 610.3254, 610.3256, 610.3258, 610.4925 of the Tariff Schedules of the United States Annotated ("TSUSA"); currently, it is classifiable under item numbers 7306.30.1000, 7306.30.5025, 7306.30.5032, and 7306.30.5040, 7306.30.5055, 7306.30.5805 and 7306.30.5090 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the TSUSA and HTSUS item numbers are provided for convenience and customs purposes, the written description remains dispositive.

There was one scope ruling in which British Standard light pipe 1387/67, Class A-1 was found to be within the scope of the order per remand (58 FR 27542, May 10, 1993).

History of the Order

In the original investigation, covering the period September 1, 1985, through August 31, 1986 (51 FR 3384, January 27, 1986), the Department determined a margin of 15.69 percent for Saha Thai Steel Pipe Co. ("Saha Thai"), 15.60 percent for Thai Steel Pipe Industry Co. ("Thai Steel"), and 15.67 percent for "all others."

There have been seven administrative reviews for the subject antidumping duty order. A summary of these reviews follows:

Period of review ("POR")	Citation
1 Mar 1987-29 Feb 1988	56 FR 58355 (November 19, 1991).
1 Mar 1988-28 Feb 1989	59 FR 65753 (December 21, 1994) Amended. 57 FR 38668 (August 26, 1992).
1 Mar 1992-28 Feb 1993	57 FR 48017 (October 21, 1992) Amended. 61 FR 29533 (June 11, 1996) Amended. 61 FR 1328 (January 19, 1996).
1 Mar 1994-28 Feb 1995	61 FR 18375 (April 25, 1996) Amended. 61 FR 56515 (November 1, 1996). 62 FR 2131 (January 15, 1997) Amended.
1 Mar 1995-29 Feb 1996	62 FR 8423 (February 25, 1997) Amended. 62 FR 53808 (October 16, 1997).
1 Mar 1996-29 Feb 1997	63 FR 55578 (October 16, 1998). 63 FR 65172 (November 25, 1998) Amended.
1 Mar 1997-28 Feb 1998	64 FR 56759 (October 21, 1999).

In addition to the two companies subject to the original investigation, the Department, has reviewed imports from producers/exporters Thai Hong Steel Pipe Import Export Co., Ltd. ("Thai Hong"), Thai Union Steel Co., Ltd. ("Thai Union"), Siam Steel Pipe Import Export Co., Ltd. ("Siam Steel Pipe"), and Pacific Pipe Company ("Pacific Pipe") over the life of this order. To date, the Department has not issued a

duty-absorption determination in this case.

Background

On May 3, 1999, the Department initiated a sunset review of the antidumping duty order on circular welded carbon steel pipes and tubes from Thailand (64 FR 23596), pursuant to section 751(c) of the Act. The Department received a notice of intent

to participate on behalf of Allied Tube and Conduit Corp., Sawhill Tubular Division—Amoco, Century Tube, IPSCO Tubular Inc., LTV Steel Tubular Products, Maverick Tube Corporation, Sharon Tube Company, Western Tube and Conduit, and Wheatland Tube Company (collectively "domestic interested parties") on May 18, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset*

Regulations. The domestic interested parties claimed interested-party status under 19 U.S.C. 1677(9)(C) as U.S. producers of circular welded carbon steel pipes and tubes. We received a complete substantive response from the domestic interested parties on June 2, 1999, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i). We did not receive a substantive response from any respondent interested party to this proceeding. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department determined to conduct an expedited, 120-day review of this order.

In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995). On September 27, 1999, the Department determined that the sunset review of the antidumping duty order on circular welded carbon steel pipes and tubes from Thailand is extraordinarily complicated, and extended the time limit for completion of the final results of this review until not later than November 29, 1999, in accordance with section 751(c)(5)(B) of the Act.¹

Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping duty order, and shall provide to the International Trade Commission ("the Commission") the magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. Additionally, the domestic interested parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt. 1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the bases for likelihood determinations. In its *Sunset Policy Bulletin*, the Department indicated that determinations of likelihood will be made on an order-wide basis (*see* section II.A.2). In addition, the Department indicated that normally it will determine that revocation of an antidumping order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (*see* section II.A.3).

In addition to considering the guidance on likelihood cited above, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of an order is likely to lead to continuation or recurrence of dumping where an interested party waives its participation in the sunset review. In the instant review, the Department did not receive a response from any respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations*, this constitutes a waiver of participation.

In their substantive response, the domestic interested parties argue that revocation of the subject order would result in the continuation of sales at less-than-fair value by margins equivalent to or greater than those found in the original investigation and subsequent reviews (*see* June 2, 1999, Substantive Response of the domestic interested parties at 3). With respect to whether dumping continued at any level above *de minimis* after the issuance of the order, the domestic interested parties assert that increases in dumping margins have followed increases in imports. For example, a spike in imports between 1994 and 1996 resulted in a dumping margin of nearly 30 percent for Saha Thai and a margin of over 37 percent for several other producers. *Id.* With respect to whether

import volumes for the subject merchandise declined significantly, the domestic interested parties note that imports were sharply curtailed by the issuance of the margins over 30 percent, dropping from 62,000 tons in 1997 to 28,000 tons in 1998. *Id.*

As discussed in section II.A.3 of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63-64, if companies continue dumping with the discipline of an order in place, the Department may reasonably infer that dumping would continue if the discipline were removed. With the exception of the 1987/88 and 1988/89 review periods, when the Department determined a *de minimis* margin for Saha Thai, dumping margins above *de minimis* have existed throughout the life of the order, and continue to exist, for shipments of subject merchandise from all other Thai producers/exporters investigated.

Consistent with section 752(c) of the Act, the Department considered the volume of imports before and after the issuance of the order in 1986. The statistics on imports of the subject merchandise cited by the domestic interested parties and those examined by the Department (U.S. Census Bureau IM146 reports), show a pattern of decreasing import volumes following margin increases. Thai producers/exporters continued to dump after the order was issued; however, U.S. imports dramatically declined after margins peaked in the 1987/88 review. Imports also declined from 1996 to 1998 after margin increases in the 1995/96 review.

Based on this analysis, the Department finds that the existence of dumping margins after the issuance of the order is highly probative of the likelihood of continuation or recurrence of dumping. Given that dumping has continued at levels above *de minimis* after the issuance of the order, import volumes for subject merchandise declined significantly after dumping margins were increased, respondent interested parties have waived their right to participate in this review before the Department, and absent argument and evidence to the contrary, the Department determines that dumping is likely to continue if the order were revoked.

Magnitude of the Margin

In the *Sunset Policy Bulletin* the Department stated that it will normally provide to the Commission the margin that was determined in the final determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping

¹ See *Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 48579 (September 7, 1999).

until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation (see section II.B.1 of the *Sunset Policy Bulletin*). Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations (see sections II.B.2 and 3 of the *Sunset Policy Bulletin*).

In their substantive response, the domestic interested parties argue that as the volume of imports increased, the margin of dumping likewise increased, and imports decreased only as a result of increases in the dumping margins. Accordingly, the domestic interested parties assert that the Department should find the magnitude of the margin of dumping likely to prevail to be the highest margin found for the Thai producers/exporters investigated in any administrative reviews (see June 2, 1999, Substantive Response of domestic interested parties at 3).

According to the *Sunset Policy Bulletin* a company may choose to increase dumping in order to maintain or increase market share. As a result, increasing margins may be more representative of a company's behavior in the absence of an order (see section II.B.2 of the *Sunset Policy Bulletin*). In addition, the *Sunset Policy Bulletin* notes that the Department will normally consider market share. However, absent information on relative market share, and absent argument to the contrary, we have looked at import volumes in the present case.

The Department disagrees with domestic interested parties' assertion that the Department should report to the Commission the highest rates for Saha Thai, Thai Steel, and all others. As noted above, a company may choose to increase dumping in order to maintain or increase market share, and therefore, increasing margins may be more representative of a company's behavior in the absence of an order (see section II.B.2 of the *Sunset Policy Bulletin*). In this case, however, absent information on relative market share, the Department cannot determine whether Saha Thai and Thai Steel increased their exports into the U.S. in order to maintain or increase market share. Furthermore, the Department finds that, throughout the history of the order, increasing imports' as found in the U.S. Census Bureau IM146 Reports-do not necessarily correspond to margin increases for all respondents. For instance, when imports peaked at nearly 130 million kilograms in the 1987/88 review, Saha Thai's margin was *de minimis*, at 0.49 percent, and Thai

Steel's margin increase from the original investigation was insignificant.

Therefore, without a correlation between increases in imports and dumping margins, the Department finds the original rates most probative of the behavior of Thai producers/exporters of circular welded carbon steel pipes and tubes if the order were revoked. Because Siam Steel Pipe, Thai Hong and Thai Union were not specifically investigated until after the order was issued, consistent with the Policy Bulletin (see section II.B.1), the Department will provide a margin based on the all others rate from the investigation for these companies. Thus, the Department will report to the Commission the company-specific and all others rates as contained in the Final Results of Review section of this notice.

Final Results of Review

As a result of this review, the Department finds that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the margins listed below:

Producer/Exporter	Margin percent
Saha Thai Steel Pipe Co.	15.69
Thai Steel Pipe Industry Co.	15.60
All others	15.67

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: November 29, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99-31425 Filed 12-2-99; 8:45 am]

BILLING CODE 3510-01-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-351-809, A-580-809, A-201-805, A-583-814, A-307-805]

Final Results of Expedited Sunset Reviews: Certain Circular Welded Non-Alloy Steel Pipe From Brazil, the Republic of Korea, Mexico, Taiwan, and Venezuela

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final results of expedited sunset reviews: Certain circular-welded non-alloy steel pipe from Brazil, the Republic of Korea, Mexico, Taiwan, and Venezuela.

SUMMARY: On May 3, 1999, the Department of Commerce ("the Department") initiated sunset reviews of the antidumping duty orders on certain circular-welded non-alloy steel pipe from Brazil, the Republic of Korea ("Korea"), Mexico, Taiwan, and Venezuela pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and an adequate response filed on behalf of a domestic interested party and inadequate responses from respondent interested parties in each of these reviews, the Department conducted expedited sunset reviews. As a result of these reviews, the Department finds that revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping at the levels indicated in the Final Result of Reviews section of this notice.

FOR FURTHER INFORMATION CONTACT: Martha V. Douthit or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-5050 or (202) 482-1560, respectively.

EFFECTIVE DATE: December 3, 1999.

Statute and Regulations

These reviews were conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders, 63 FR 13516 (March 20, 1998) ("Sunset Regulations"), and 19 CFR Part 351 (1999) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the

Department's Policy Bulletin 98:3—Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin, 63 FR 18871 (April 16, 1998) ("Sunset Policy Bulletin").

Scope

The merchandise subject to these antidumping duty orders is circular welded non-alloy steel pipe and tube from Brazil, Korea, Mexico, and Venezuela. The product consists of circular cross-section, not more than 406.4mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipes and tubes and are intended for the low-pressure conveyance of water, steam, natural gas, air and other liquids and gases in plumbing and heating systems, air-conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing applications, such as for fence tubing, and as structural pipe tubing used for framing and as support members for reconstruction or load-bearing purposes in the construction, shipbuilding, trucking, farm equipment, and other related industries. Unfinished conduit pipe is also included in this order. All carbon-steel pipes and tubes within the physical description outlined above are included within the scope of this investigation, except line pipe, oil country tubular goods, boiler tubing, mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished conduit. Standard pipe that is dual or triple certified/stenciled that enters the U.S. as line pipe of a kind used for oil and gas pipelines is also not included in this investigation. Imports of the products covered by this order are currently classifiable under the following Harmonized Tariff Schedule (HTS) subheadings: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, 7306.30.50.90. Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of these proceedings is dispositive.

Scope Clarification: Brazil, Korea, Mexico, and Venezuela

On March 21, 1996, in a final scope ruling, the Department determined that: (i) Pipe certified to the API 5L line pipe specification, and (ii) pipe certified to

both the API 5L line pipe specifications and the less-stringent ASTM A-53 standard pipe specifications which fall within the physical parameters outlined in the scope of the orders and enter as line pipe of a kind used for oil and gas pipelines are outside the scope of the antidumping duty orders on certain welded carbon steel non-alloy pipe from Brazil, Korea, Mexico and Venezuela, irrespective of end use.¹ Mexico—On December 31, 1995, Tubacero International Corporation requested clarification to determine whether circular welded carbon steel piping, 16 inches in outside diameter with $\frac{3}{8}$ inch wall thickness, for use in extremely heavy load bearing applications, is within the scope of the order. On April 25, 1996, the Department determined that circular welded carbon steel piping, 16 inches in outside diameter with $\frac{3}{8}$ inch wall thickness, for use in extremely heavy load bearing applications, is within the scope of the order (*see Notice of Scope Rulings*, 61 FR 18381 (April 25, 1996)).

Mexico—Pending Scope Clarification

Cierra Pipe, Incorporated submitted a request for a scope clarification of the subject merchandise to determine whether line pipe "shorts", or "old line pipe" which has rushed and pitted after sitting in storage, constitute line pipe of a kind used for oil and gas pipelines or is pipe and tubed covered by the order (*see* 63 FR 59544 (November 4, 1998)).

Mexico—Pending Anti-Circumvention Inquiry

The domestic interested parties requested a circumvention inquiry to determine whether imports of: (i) Pipe certified to the American Petroleum Institute (API) 5L line pipe specifications (API) 5L, and (ii) pipe certified to both the API 5L line pipe specifications and the less stringent American Society for Testing and Materials ("ASTM") A-53 standard pipe specifications (dual certified pipe), falling within the physical dimensions outlined in the scope of the order, are circumventing the antidumping duty order (*see* 63 FR 41545 (August 4, 1998)).

History of the Orders

On September 17, 1992, the Department issued final determinations of sales at less than fair value ("LTFV") on imports of certain circular welded non-alloy steel pipe from Brazil, Korea,

¹ *Final Negative Scope Determination of Scope Inquiry on Certain Welded Non-Alloy Steel Pipe and Tube from Brazil, the Republic of Korea, Mexico, and Venezuela*, 61 FR 11608 (March 21, 1996).

Mexico, Taiwan, and Venezuela (57 FR 42940, 42942, 42953, 42961, and 42962, respectively). On November 2, 1992, the Department published the *Notice of Antidumping Orders on Certain Circular Welded Non-Alloy Steel Pipe from Brazil, the Republic of Korea, Mexico, and Venezuela, and Amendment to Final Determination of Sales at Less Than Fair Value: Circular Welded Non-Alloy Steel Pipe From the Republic of Korea*, 57 FR 49453 (November 2, 1992). The order on Korea was subsequently amended (*see Notice of Final Court Decision and Amended Final Determination*, 60 FR 55833 (November 3, 1995)).

In the investigations, the Department estimated weighted-average dumping margins that ranged from 4.91 percent to 103.38 percent *ad valorem*. There have been no administrative reviews of the orders on circular welded non-alloy steel pipe from Brazil, Taiwan, and Venezuela. The Department conducted two administrative reviews of the order covering Korea and two administrative reviews of the order covering from Mexico.² The Department has not found duty absorption for any country subject to these antidumping duty orders.

The antidumping duty orders remain in effect for all producers and exporters of the subject merchandise from Brazil, Korea, Mexico, Taiwan, and Venezuela.

Background

On May 3, 1999, the Department initiated sunset reviews of the antidumping duty orders on certain circular welded non-alloy steel pipe from Brazil, Korea, Mexico, Taiwan, and Venezuela pursuant to section 751(c) of the Act. On May 18, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulation*, we received notices of intent to participate from Allied Tube and Conduit Corporation, Sawhill Tubular Division—Armco, Inc., Century Tube, IPSCO Tubular Inc., LTV Steel Tubular Products, Maverick Tube Corporation, Sharon Tube Company, Western Tube and Conduit, and Wheatland Tube Co. (collectively "the

² *See Final Results of Antidumping Duty Administrative Review and Partial Termination of Administrative Review: Circular Welded Non-Alloy Steel Pipe From the Republic of Korea*, 62 FR 55574 (October 27, 1997), *Final Results of Antidumping Duty Administrative Review: Circular Welded Non-Alloy Steel Pipe From the Republic of Korea*, 63 FR 32833 (June 16, 1998), as amended, 63 FR 39071 (July 21, 1998), *Final Results of Antidumping Duty Administrative Review: Circular Welded Non-Alloy Steel Pipe and Tube from Mexico*, 62 FR 37014 (July 10, 1997), and *Final Results of Antidumping Duty Administrative Review: Circular Welded Non-Alloy Steel Pipe and Tube from Mexico*, 63 FR 33041 (June 17, 1998), as amended, 63 FR 38370 (July 16, 1998).

domestic interested parties"). Each of these parties claimed status as domestic interested parties on the basis that they are domestic producers of the products subject to these orders. In its substantive responses, the domestic interested parties assert that all parties except IPSCO, LTV Tubular, and Maverick participated in the original investigation and subsequent administrative reviews of the subject orders. With respect to related party status, the domestic interested parties state that they are not related to any foreign producers or foreign exporters, and are not importers of the subject merchandise, or related to importers of the subject merchandise.

Within the deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i), on June 2, 1999, the Department received complete substantive responses from the domestic interested parties. In addition, we received a complete substantive response from Tuberia Nacional, S.A. de C.V. ("TUNA") a Mexican producer/exporter of circular welded non-alloy steel pipe in the sunset review of the order on Mexico. TUNA stated it was not a participant in the original investigation, however, it participated in the 1994-1995 administrative review, and the 1997-1998 administrative review currently being conducted by the Department. On June 2, 1999, the Korea Iron and Steel Association ("KOSA") and its individual members SeAH Steel Corporation, Ltd., Sinho Steel Company, Hyundai Pipe Company, and Korea Iron and Steel Company, waived their right to participate in the Department's sunset review of circular welded non-alloy steel pipe from Korea. On June 2, 1999, C.A. Conduven ("Conduven") waived its right to participate in the Department's sunset review of circular welded non-alloy steel pipe from Venezuela.

On June 22, 1999, we informed the International Trade Commission ("Commission") that on the basis of inadequate responses from respondent interested parties, we were conducting expedited sunset reviews of these orders consistent with 19 CFR 351.218(e)(1)(ii)(C)(2). (See Letter to Lynn Featherstone, Director, Office of Investigations from Jeffrey A. May, Director, Office of Policy.)

In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995). Therefore, on September 7, 1999, the Department determined that the sunset reviews of the antidumping duty orders on circular-welded non-alloy steel pipe

from Brazil, Korea, Mexico, Taiwan, and Venezuela are extraordinarily complicated and extended the time limit for completion of the final results of these reviews until not later than November 29, 1999, in accordance with section 751(c)(5)(B) of the Act.³

Determination

In accordance with section 751(c)(1) of the Act, the Department conducted these reviews to determine whether revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and import volume of the subject merchandise for the period before the issuance of the antidumping duty orders and the period after the issuance of the antidumping duty orders. Pursuant to section 752(c)(3) of the Act, the Department shall provide to the Commission the magnitude of the margin likely to prevail if the orders are revoked.

The Department's determinations concerning continuation or recurrence of dumping, and magnitude of the margin are discussed below. In addition, the parties' comments with respect to the continuation or recurrence of dumping, and the magnitude of the margin are addressed in the respective sections below.

Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt. 1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its Sunset Policy Bulletin providing guidance on methodological and analytical issues, including the basis for likelihood determinations. In its Sunset Policy Bulletin, the Department indicates that determinations of likelihood will be made on an order-wide basis (see section II.A.2). In addition, the Department indicated that normally it will determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where: (a) Dumping continued

at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (see section II.A.3).

In addition to considering the guidance on likelihood cited above, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant reviews, the Department either did not receive a response, or did receive a waiver, from producers and exporters of circular welded non-alloy steel pipe from Brazil, Korea, Taiwan, and Venezuela. Pursuant to section 351.218(d)(2)(iii) or section 351.218(d)(2)(i), as applicable, of the *Sunset Regulations*, this constitutes a waiver of participation.

In their substantive responses, the domestic interested parties assert that revocation of the antidumping duty orders on the subject merchandise from Brazil, Korea, Mexico, Taiwan, and Venezuela, would be likely to lead to continuation of dumping at margins equivalent to or greater than the margins above found in the original investigations. The domestic interested parties support their argument by stating that after the issuance of the antidumping duty orders, dumping margins above *de minimis* levels continued to exist. In addition, import volumes declined significantly, and in some instances, no shipments were reported. The domestic interested parties provided the Department the following import statistics:

Brazil—In 1991 (the year prior to the imposition of the antidumping duty order), shipment of Brazilian circular-welded non-alloy steel pipe to the United States totaled 54,000 tons. After the issuance of the order imports declined dramatically. By 1998, no imports were reported.

Korea—Imports declined from 321,000 in 1991, to 174,000 in 1998.

Mexico—Imports declined from 48,000 tons in 1991, to 13,500 tons in 1998.

Taiwan—Imports were over 38,000 tons in 1991, and in 1998, almost ceased as the volume declined dramatically to 60 tons.

Venezuela—Imports accounted for over 16,000 tons in 1991. In 1998, imports dropped significantly to 3,300 tons, down nearly 80 percent compared to 1991 import volume.

³ See *Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 48579 (September 7, 1999).

The domestic interested parties, citing to the Department's Sunset Policy Bulletin, state that existence of dumping margins after the order, or the cessation of imports after the order, is highly probative of the likelihood of continuation or recurrence of dumping. Therefore, they argue that the continued existence of dumping margins coupled with the significant decrease in imports, strongly indicates the likelihood of continuation or recurrence of dumping should the antidumping duty orders be revoked.

In its substantive response, TUNA, the only respondent in the sunset review of the antidumping duty order of circular welded non-alloy steel pipe from Mexico, argues that revocation of the antidumping duty order would not result in continuation or recurrence of dumping. TUNA basis its assertion on the decline of dumping margins and increase in import volumes. TUNA argues that the Department, in the original investigation, assigned Hylsa S.A. de C.V. ("Hylsa") (the only respondent reviewed in the investigation) a 32.62 percent dumping margin, and established an "all others" duty deposit rate of 32.62 percent.⁴ After the investigation, Hylsa's rate of 32.62 percent declined to a single digit level. Although TUNA was not a participant in the original investigation, in the 1994-1995 administrative review, the Department assigned TUNA a 1.77 percent dumping margin. TUNA argues that 1.77 percent (its current duty deposit rate) is considered *de minimis* under the World Trade Organization ("WTO") Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("Antidumping Agreement"). Therefore TUNA argues that the order should be revoked (see TUNA's Substantive Response at 4). In addition, TUNA argues that import volume and value of the subject merchandise from Mexico has increased significantly in recent years. From 1993, the year after the imposition of the order, to 1998, imports from Mexico more than tripled, from approximately \$2.5 million to approximately \$7.8 million in 1998 (see TUNA's Substantive Response at 10). In Attachment 3 and Attachment 5 of its substantive response, TUNA provides its volume and value of exports to the U.S., and its estimate of the percentage of exports to the U.S. TUNA concludes that Mexican producers and exporters of the subject merchandise can ship to the U.S. without dumping should the

antidumping duty order be revoked because dumping margins declined after the issuance of the order and imports increased or remained steady.

Finally, TUNA argues that good cause exists to consider other factors. TUNA argues that because the URAA presumes revocation unless there is evidence that dumping will continue, a reasoned decision will often require consideration of factors other than the dumping margin. TUNA argues that in most cases it will be impossible for the Department to render a reasoned determination without considering all relevant information.

TUNA argues that in this case, the original dumping margin was determined when domestic demand was at or near the bottom of a business cycle of several years' duration. Since that time, demand has increased steadily and is expected to continue to increase. TUNA notes that in 1996, the ITC issued a negative injury determination regarding imports of circular welded non-alloy pipe from Romania and South Africa. TUNA asserts that the domestic industry has clearly benefitted from increases in construction activity and that the strong domestic demand has enabled TUNA to achieve increasing volumes of exports. In this situation, TUNA asserts that dumping is unlikely to continue or recur.

Section II.A.3. of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63-64 provide that the existence of dumping margins after the order, or cessation of imports after the order, is highly probative of the likelihood of continuation or recurrence of dumping. If companies continue to dump with the discipline of an order in place, it is reasonable to assume that dumping would continue if the discipline were removed. Further, as noted above, in determining whether revocation of an order is likely to lead to continuation or recurrence of dumping, the Department considers the margins determined in the investigation and subsequent administrative reviews and volume of imports.

With respect to dumping margins in the antidumping duty orders on circular welded non-alloy steel pipe from Brazil, Korea, Mexico, Taiwan, and Venezuela, we agree with the domestic interested parties that margins above *de minimis* levels continued to exist. We disagree with TUNA's assertion that its margin of 1.77 percent should be considered *de minimis* for purposes of this sunset review. Both the statute and regulation clearly provide that in reviews of orders, the Department will threat as *de minimis* any weighted average dumping margin that is less than 0.5 percent ad

valorem (section 752 (c)(4)(B) of the Act and 19 CFR 351.106 (C)(1)). The 2.0 percent *de minimis* level in Article 5.8 of the Antidumping Agreement applies only to investigations, not reviews (see SAA at 844-45).

With respect to import volumes of the subject merchandise, our analysis of import statistics covering total imports and company-specific imports demonstrate that import volumes and values have fluctuated over the life of these orders and have not reached pre-order volumes for any of the subject countries. Although TUNA's imports increased after the issuance of the order, its reported post-order import volumes were nonetheless insignificant compared to its pre-order volumes. Therefore, given that dumping margins above *de minimis* levels were found to exist and continue in effect with respect to each of these orders, and respondent interested parties waived their right to participate in these (other than Mexico) reviews before the Department, the Department determines that dumping is likely to continue or recur if the orders were revoked.

Magnitude of the Margin

In the Sunset Policy Bulletin, the Department stated that, consistent with the SAA and House Report, the Department normally will provide to the Commission a margin from the investigation because that is the only calculated rate that reflects the behavior of exporters without the discipline of an order in place. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, we normally will provide a margin based on the "all others" rate from the investigation. (See section II.B.1 of the Sunset Policy Bulletin.) Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty-absorption determinations. (See sections II.B.2 and 3 of the Sunset Policy Bulletin.)

In its substantive responses, the domestic interested parties argue that the Department should report to the Commission the dumping margins determined in the original investigations because these rates best reflect the behavior of producers and exporters of circular welded non-alloy steel pipe from Brazil, Korea, Mexico, Taiwan, and Venezuela absent the antidumping duty orders.

With respect to the Mexican case, TUNA reasserts that the dumping margins that are likely to prevail were the order revoked are *de minimis*. Additionally, citing to the SAA (at 890-

⁴ See *Final Determination of Sales at Less Than Fair Value: Circular Welded Non-Alloy Steel Pipe from Mexico*, 57 FR 42953 (September 17, 1992).

891), TUNA notes that in certain instances, it may be more appropriate to provide the Commission a more recently calculated margin. TUNA argues that it is not appropriate to report the margins from the original investigation where, as in this case, dumping margins decreased and import volume remained steady or increased. TUNA argues that the weighted-average dumping margins for Hylsa (the only respondent in the investigation), declined to single digit levels, from 32.62 percent in the investigation to 2.99 percent in 1994–1995, and to 7.39 percent in 1995–1996. Further, TUNA notes that it was subject to the all others rate until the 1994–1995 administrative review, when the Department assigned TUNA a 1.77 percent dumping margin (its only individual margin) (see 62 FR 37014, July 10, 1997).

In addition, TUNA argues that dumping margins assigned in the original investigation are inappropriate as indicators of the rates that would be found upon revocation in light of changes in the methodology used to calculate antidumping duty margins introduced by the Uruguay Round. TUNA asserts that the use of margins that would not be obtained under current law would be unfair and contrary to the Antidumping Agreement.

With respect to duty absorption, TUNA notes although the Department has not made any duty absorption findings, in the 1997–1998 administrative review, the petitioners requested a duty absorption investigation.

As discussed above, we disagree with TUNA's assertion that a dumping margin of 1.77 percent is *de minimis*. Further, we note that the current deposit rates for Hylsa (7.39 percent) and all others Mexican producers/exporters (32.63 percent) are not *de minimis*.

With respect to TUNA's argument concerning the magnitude of the margin likely to prevail, we disagree. In the *Sunset Policy Bulletin* we indicated that, consistent with the SAA at 889–90 and the House Report at 63, we may determine, in cases where declining (or no) dumping margins are accompanied by steady or increasing imports, that a more recently calculated rate reflects that companies do not have to dump to maintain market share in the United States and, therefore, that dumping is less likely to continue or recur if the order were revoked. Further, we noted that, in determining whether a more recently calculated margin is probative of an exporters's behavior absent the discipline of an order, we will normally consider the company's relative market

share, with such information to be provided by the parties. It is clear, therefore, that in determining whether a more recently calculated margin is probative of the behavior of exporters were the order to be revoked, the Department considers company-specific exports and company-specific margins. In its substantive response, TUNA provided the volume and value of its exports to the United States for 1990 (the year prior to the issuance of the order) and for years 1994 through 1998. Additionally, for the years 1994 through 1998, TUNA reported its exports as a percentage of total consumption imports of subject merchandise from Mexico. This information shows the post-order exports from TUNA continue to be significantly below TUNA's pre-order exports. Additionally, although as TUNA argues, its exports in 1998 are greater than its exports in 1994, TUNA's exports over this five-year period have greatly fluctuated. Therefore, we are not persuaded that the use of a more recently calculated rate is appropriate in this case. Additionally, we find there is no basis to reject margins calculated in an investigation because of subsequent changes in methodology. Such changes do not invalidate margins calculated under prior methodology.

The Department agrees with the domestic interested parties concerning the margins likely to prevail if these orders were revoked. Absent argument and evidence to the contrary, and consistent with the *Sunset Policy Bulletin*, we determine that the margins calculated in the Department's original investigation are probative of the behavior of Brazilian, Korean, Taiwanese, and Venezuelan producers and exporters of circular welded non-alloy steel pipe without the discipline of the orders in place. Further, based on the above analysis, we find that the margins calculated in the original investigation covering Mexico are probative of the behavior of Mexican producers and exporters of circular welded non-ally steel pipe without the discipline of the order. Therefore, we will report to the Commission the margins indicated in the Final Results of the Reviews section of this notice.

Final Results of Reviews

As a result of these reviews, the Department finds that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping at the margins listed below:

Manufacturers/exporters	Margin (percent)
Brazil	
Persico Pizzamiglio S.A	103.38
All Others	103.38
Korea	
Hyundai Steel Pipe Co., Ltd	4.62
Korea Steel Pipe Co., Ltd	4.08
Masan Steel Tube Works Co., Ltd	11.63
Pusan Steel Pipe Co., Ltd	5.35
All Others	4.80
Mexico	
Hylsa, S.A. de C.V	32.62
All Others	32.62
Taiwan	
Kao Hsing Chang Iron & Steel Corporation	19.46
Yieh Hsing Enterprise Co., Ltd	27.65
All Others	23.56
Venezuela	
C.A. Conduven	52.51
All Others	52.51

These notices serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulation. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is sanctionable violation.

These five-year ("sunset") reviews and notice are published in accordance with sections 751(c), 752 and 777(i)(1) of the Act.

Dated: November 29, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99–31428 Filed 12–2–99; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-559-502]

Final Results of Expedited Sunset Review: Light-Walled Rectangular Pipe and Tube From Singapore

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final results of Expedited Sunset Review: Light-walled rectangular pipe and tube from Singapore.

SUMMARY: On May 3, 1999, the Department of Commerce (the "Department") initiated a sunset review of the antidumping order on light-walled rectangular pipe and tube from Singapore (64 FR 23596) pursuant to section 751(c) of the Tariff Act of 1930, as amended (the "Act"). On the basis of a notice of intent to participate and adequate substantive response filed on behalf of domestic interested parties and inadequate response (in this case, no response) from respondent interested parties, the Department determined to conduct an expedited sunset review. As a result of this review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels indicated in the Final Result of Review section of this notice.

FOR FURTHER INFORMATION CONTACT: Eun W. Cho or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 482-1698 or (202) 482-1560, respectively.

EFFECTIVE DATE: December 3, 1999.

Statute and Regulations

This review was conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders, 63 FR 13516 (March 20, 1998) ("Sunset Regulations") and in 19 CFR Part 351 (1998) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin, 63 FR 18871

(April 16, 1998) ("Sunset Policy Bulletin").

Scope

The subject merchandise under consideration is light-walled rectangular pipes and tubes ("rectangular pipes") from Singapore, which are mechanical pipes and tubes or welded carbon steel pipes and tubes of rectangular (including square) cross-section, having a wall thickness of less than 0.156 inch.

Light-walled rectangular pipes and tubes are currently classifiable under item number 7306.60.5000 of the Harmonized Tariff Schedule of the United States ("HTSUS"). The HTSUS item number is provided for convenience and customs purposes only. The written product description of the scope of this order remains dispositive.

History of the Order

The antidumping duty order on light-walled rectangular pipes and tubes from Singapore was published in the **Federal Register** on November 13, 1986 (51 FR 41142). In that order, the Department determined that the weighted-average dumping margins for Steel Tubes of Singapore, Ltd. ("PTE") as well as for all others are 12.03 percent. The Department has not conducted any administrative review since that time. We note that the Department has not conducted any investigation with respect to duty absorption regarding the exports of the subject merchandise. The order remains in effect for all manufacturers and exporters of the subject merchandise.

Background

On May 3, 1999, the Department initiated a sunset review of the antidumping duty order on rectangular pipes from Singapore (64 FR 23596) pursuant to section 751(c) of the Act. The Department received, on May 18, 1999, a Notice of Intent to Participate on behalf of members of The Committee on Pipe and Tube Imports ("CPTI")¹ within the deadline specified in section 351.218(d)(1)(i) of the Sunset Regulations. In its Notice of Intent to Participate, the CPTI notes that none of its members is related to foreign producers and exporters, nor are any of its members an importer of the subject merchandise within the meaning of 771(9)(B) of the Act. The members of the

¹ The CPTI is a trade association on whose behalf the original petition was filed. The members, who are participating in the instant review, are California Steel and Tube, Hannibal Industries Inc. Maruichi American Corporation, Searing Industries, Leavitt Tube, Vest Inc., and Western Tube and Conduit.

CPTI claimed interest party status under section 771(9)(C) of the Act as producers and manufacturers of the domestic like product.

We received a complete substantive response from the CPTI on June 2, 1999, within the 30-day deadline specified in the Sunset Regulations under section 351.218(d)(3)(i). In its substantive response, the CPTI noted that it participated in the original investigation. (See June 2, 1999, Substantive Response of the CPTI at 2.) We did not receive a substantive response from any respondent interested parties to this proceeding. Consequently, pursuant to section 351.218(e)(1)(ii)(C) of the Sunset Regulations, the Department determined to conduct an expedited, 120-day, review of this order.

In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995). Therefore, on September 7, 1999, the Department determined that the sunset reviews of the antidumping duty order on rectangular pipes from Singapore is extraordinarily complicated and extended the time limit for completion of the final results of these reviews until not later than November 29, 1999, in accordance with section 751(c)(5)(B) of the Act.²

Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping order, and shall provide to the International Trade Commission ("the Commission") the magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. In addition, the CPTI's comments with respect to continuation or recurrence of dumping and the magnitude of the margin are

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² See Extension of Time Limit for Final Results of Five-Year Reviews, 64 FR 48579 (September 7, 1999).

addressed within the respective sections below.

Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt.1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its Sunset Policy Bulletin providing guidance on methodological and analytical issues, including the bases for likelihood determinations. In its Sunset Policy Bulletin, the Department indicated that determinations of likelihood will be made on an order-wide basis (see section II.A.2). In addition, the Department indicated that normally it will determine that revocation of an antidumping order is likely to lead to continuation or recurrence of dumping where: (a) Dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (see section II.A.3).

In addition to considering the guidance on likelihood cited above, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant review, the Department did not receive a response from any respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the Sunset Regulations, this constitutes a waiver of participation.

In its substantive response, the CPTI argues that revocation of the antidumping order will result in resumption of sales of the subject merchandise at less-than-fair value by margins equivalent to or greater than those found in the original investigation. (See, June 2, 1999 Substantive Response of the CPTI at 2 & 3.) While arguing that a cessation of imports after the issuance of an antidumping order is highly probative of the likelihood of continuation or recurrence of dumping, the CPTI provided data which indicate that imports of the subject merchandise ceased after the issuance of the

antidumping duty order.³ Based on the aforementioned data, the CPTI asserts that imports of the subject merchandise have ceased since the issuance of the antidumping duty order, and therefore the Department should find that dumping is likely to recur or continue should the order be revoked. *Id.*

According to U.S. International Trade Commission Trade Data, which integrates tariff and trade data from the Department, the U.S. Treasury, and the U.S. International Trade Commission, soon after the issuance of the antidumping order, the volume of imports of the subject merchandise fell drastically—the average volume of imports of the subject merchandise between 1989 and 1991 is 37 metric tons. This is less than 1.5 percent of 1985 pre-order volume of over 2700 metric ton.⁴ Furthermore, the volume of imports of the subject merchandise for the period of seven years, 1992–1998, is zero. As a result, the Department agrees with the CPTI's claim that, after the issuance of the order, imports of the subject merchandise ceased.

As noted above, the Department normally will determine that the cessation of imports after the issuance of the order is highly probative of the likelihood of continuation or recurrence of dumping.

In conclusion, inasmuch as the respondent interested parties waived their right to participate in this review, the deposit rates continue to exist, and imports of the subject merchandise ceased after the imposition of the order, we find that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping.

Magnitude of the Margin

In the Sunset Policy Bulletin, the Department stated that it normally will provide to the Commission the margin that was determined in the final determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the all-others rate from the investigation. (See section II.B.1 of the Sunset Policy Bulletin.) Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations. (See sections

³ The CPTI compares the import volumes of the subject merchandise prior to the order, 2700 tons in 1985 to zero in 1998.

⁴ This 1985 import volume was supplied by the CPTI.

II.B.2 and 3 of the Sunset Policy Bulletin.)

The Department, in its notice of the antidumping duty order on rectangular pipes from Singapore, established both company-specific and all-others weighted-average dumping margins of 12.03 percent for all imports of the subject merchandise from Singapore (51 FR 41142, November 13, 1986). We note that, to date, the Department has not issued any duty absorption findings in this case.

The CTPI urges the Department to determine that the magnitude of the dumping margins that are likely to prevail, if the order is revoked, should be those from the original investigation. (See the CTPI's June 2, 1999, substantive response.) We agree with the CPTI. Absent argument and evidence to the contrary, we find the margins calculated in the original investigation are probative of the behavior of Singaporean producers/exporters if the order were revoked, as those are the only margins which reflect the behavior of Singaporean producers/exporters absent the discipline of the order. Therefore, we will report to the Commission the company-specific and all-others margins reported in the Final Results of Review section of this notice.

Final Results of Review

Based on the above analysis, the Department finds that revocation of the antidumping order would likely lead to continuation or recurrence of dumping at the margins listed below:

Manufacturer/exporter	Margin (percent)
Steel Tubes of Singapore (PTE), Ltd.	12.03
All others	12.03

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: November 29, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99-31431 Filed 12-2-99; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-357-802]

Final Results of Expedited Sunset Review: Light-Walled Welded Rectangular Carbon Steel Tubing From Argentina

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final results of expedited Sunset Review: Light-walled welded rectangular carbon steel tubing from Argentina.

SUMMARY: On May 3, 1999, the Department of Commerce ("the Department") initiated a sunset review of the antidumping duty order on light-walled welded rectangular carbon steel tubing from Argentina (64 FR 23596) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and substantive comments filed on behalf of the domestic interested parties and inadequate response (in this case, no response) from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping order would be likely to lead to continuation or recurrence of dumping at the levels indicated in the Final Results of Review section of this notice.

FOR FURTHER INFORMATION CONTACT: Kathryn B. McCormick or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-1698 or (202) 482-1560, respectively.

EFFECTIVE DATE: December 3, 1999.

Statute and Regulations

This review was conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) ("Sunset Regulations") and 19 C.F.R. Part 351

(1998) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*; Policy Bulletin, 63 FR 18871 (April 16, 1998) ("Sunset Policy Bulletin").

Scope

The merchandise subject to this antidumping duty order is light-walled welded carbon steel tubing of rectangular (including square) cross-section, having a wall thickness of less than 0.156 inch, from Argentina. The subject merchandise is classifiable under item 7306.60.50.00 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the HTSUS item number is provided for convenience and U.S. customs purposes, the written description remains dispositive.

This review covers imports from all producers and exporters of light-walled welded carbon steel tubing from Argentina.

History of the Order

In the original investigation, covering the period January 1, 1988, through June 30, 1988, the Department determined a margin of 56.26 percent for U.S. imports of subject merchandise from Argentina.¹ Since the issuance of the order, the Department has not conducted any administrative reviews.

Background

On May 3, 1999, the Department initiated a sunset review of the antidumping duty order on light-walled welded carbon steel tubing from Argentina (64 FR 23596), pursuant to section 751(c) of the Act. The Department received a notice of intent to participate on behalf of California Steel and Tube, Hannibal Industries Inc., Maruichi American Corporation, Searing Industries, Leavitt Tube, Vest Inc., and Western Tube and Conduit (collectively "domestic interested parties"), within the applicable deadline (May 18, 1999) specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. The domestic interested parties claimed interested party status under section 771(9)(C) of the Act as U.S. producers of a domestic like product. We received a complete substantive response from the domestic

interested parties on June 2, 1998, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i). Many of the domestic interested parties are members of the Committee on Pipe and Tube Imports, the trade association on whose behalf the original petition was filed. We did not receive a substantive response from any respondent interested party to this proceeding. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department determined to conduct an expedited, 120-day review of this order.

In accordance with 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (i.e., an order in effect on January 1, 1995). On September 7, 1999, the Department determined that the sunset review of the antidumping order on light-walled welded rectangular carbon steel tubing from Argentina is extraordinarily complicated and extended the time limit for completion of the final results of this review until not later than November 29, 1999, in accordance with section 751(c)(5)(B) of the Act.²

Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping order, and shall provide to the International Trade Commission ("the Commission") the magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's determination concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. Additionally, the domestic interested parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the

¹ See *Final Determination of Sales at Less than Fair Value: Light-Walled Welded Rectangular Carbon Steel Tubing from Argentina*, 54 FR 13913 (April 6, 1989).

² See *Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 48579 (September 7, 1999).

Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt.1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the bases for likelihood determinations. In its *Sunset Policy Bulletin*, the Department indicated that determinations of likelihood will be made on an order-wide basis (see section II.A.2). In addition, the Department indicated that normally it will determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (see section II.A.3).

In addition to considering the guidance on likelihood cited above, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant review, the Department did not receive a response from any respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations* this constitutes a waiver of participation.

In their substantive response, the domestic interested parties argue that revocation of the subject order would have the effect of resumption of sales at less than fair value by margins equivalent to or greater than those found in the original investigation and subsequent reviews (see June 2, 1999 Substantive Response of the domestic interested parties at 3).

With respect to whether imports of the subject merchandise ceased after the issuance of the order, the domestic interested parties assert that since the issuance of the order, imports of subject tubing from Argentina into the United States have almost disappeared entirely. *Id.* Because imports of subject merchandise from Argentina into the United States have nearly ceased, the domestic interested parties argue that there is a strong likelihood of continuation of dumping should this order be terminated (see June 2, 1999 Substantive Response of domestic interested parties at page 3). Moreover,

the continued dumping at 56.26 percent is highly probative of the likelihood of continuation or recurrence of dumping. *Id.*

Consistent with section 752(c) of the Act, the Department considered the volume of imports before and after the 1989 issuance of the order. The statistics on imports of the subject merchandise cited by the domestic interested parties and those examined by the Department (U.S. Census Bureau IM146 reports), demonstrate that imports of the subject merchandise have ceased since the issuance of the order. Additionally, the margin of 56.26 percent *ad valorem* the estimate from the original investigation, has continued throughout the history of the order.

The Department finds that the cessation of imports after the issuance of the order is highly probative of the likelihood of continuation or recurrence of dumping.³ Given that imports of subject merchandise have ceased, that an above *de minimis* deposit rate remains in effect for all imports, that respondent interested parties have waived their right to participate in this review, and absent argument and evidence to the contrary, the Department determines that dumping is likely to continue or recur if the order were revoked.

Magnitude of the Margin

In the *Sunset Policy Bulletin*, the Department states that it will normally provide to the Commission the margin that was determined in the final determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation (see section II.B.1 of the *Sunset Policy Bulletin*). Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations (see sections II.B.2 and 3 of the *Sunset Policy Bulletin*).

In their substantive response, the domestic interested parties assert that, because imports of subject merchandise from Argentina into the U.S. ceased after the issuance of the order, the Department should find the magnitude of the margin to be 56.26 percent, the

³ Department of Commerce Policy Bulletin, Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders quoting the Uruguay Round Agreements Act, Statement of Administrative Action (citation omitted), 63 FR 18871, 18872 (April 16, 1998).

margin from the original investigation (see June 2, 1999 Substantive Response of domestic interested parties at 3).

The Department agrees with the domestic interested parties' argument concerning the choice of the margin to report to the Commission. Since there have been no administrative reviews of the order, the rate from the original investigation is the only rate available to the Department. Therefore, we determine that the margin determined in the original investigation is probative of the behavior of producers/exporters of subject merchandise from Argentina if the order was revoked.

Final Results of Review

As a result of this review, the Department finds that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the margin listed below:

Producer/exporter	Margin (percent)
All Argentinian producers/exporters	56.26

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: November 29, 1999.

Richard W. Moreland,
Acting Assistant Secretary for Import Administration.

[FR Doc. 99-31422 Filed 12-2-99; 8:45 am]
BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-583-803]

Final Results of Expedited Sunset Review: Light-Walled Welded Rectangular Carbon Steel Tubing From Taiwan

AGENCY: Import Administration,
International Trade Administration,
Department of Commerce.

ACTION: Notice of final results of expedited Sunset Review: Light-walled welded rectangular carbon steel tubing from Taiwan.

SUMMARY: On May 3, 1999, the Department of Commerce ("the Department") initiated a sunset review of the antidumping duty order on light-walled welded rectangular carbon steel tubing from Taiwan (54 FR 22794) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and substantive comments filed on behalf of the domestic interested parties and inadequate response (in this case, no response) from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels indicated in the Final Results of Review section of this notice. **FOR FURTHER INFORMATION CONTACT:** Kathryn B. McCormick or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-1698 or (202) 482-1560, respectively.

EFFECTIVE DATE: December 3, 1999.

Statute and Regulations

This review was conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) ("*Sunset Regulations*"), and 19 CFR Part 351 (1999) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*; Policy Bulletin, 63 FR 18871 (April 16, 1998) ("*Sunset Policy Bulletin*").

Scope

The merchandise subject to this antidumping duty order is Taiwanese light-walled welded carbon steel tubing of rectangular (including square) cross-section, having a wall thickness of not less than 0.065 inches, and 0.375 inches or more but not over 4.5 inches in outside diameter. The subject

merchandise is classifiable under item number 7306.60.50.00 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the HTSUS item number is provided for convenience and customs purposes, the written description remains dispositive.

History of the Order

In the original investigation, covering the period January 1, 1988, through June 30, 1988, the Department determined the following margins for U.S. imports of subject merchandise from Taiwan:¹

Producer/exporter	Margin (percent)
Ornatube Enterprise ("Ornatube")	5.51
Vulcan Industrial Corp	40.97
Yieh Hsing Industries, Ltd	40.97
All Others	29.15

Since the issuance of the order in 1989, the Department has conducted two administrative reviews. In the first review, covering the period November 21, 1988, through February 28, 1990, the Department determined a margin of 0.1975 percent for Ornatube. In the second review, covering the period March 1, 1990, through February 28, 1991, the margin for Ornatube was 18.05 percent. To date, the Department has not issued a duty-absorption determination in this case.

Background

On May 3, 1999, the Department initiated a sunset review of the antidumping duty order on light-walled welded carbon steel tubing from Taiwan (64 FR 23596), pursuant to section 751(c) of the Act. The Department received a notice of intent to participate on behalf of California Steel and Tube, Hannibal Industries Inc., Maruichi American Corporation, Searing Industries, Leavitt Tube, Vest Inc., and Western Tube and Conduit (collectively "domestic interested parties"), within the applicable deadline (May 18, 1999) specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. The domestic interested parties claimed interested-party status under section 771(9)(C) of the Act as U.S. producers of a domestic like product. We received a complete substantive response from the domestic interested parties on June 2, 1998, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i). Many of the domestic interested parties are members of the Committee on Pipe and Tube Imports,

the trade association on whose behalf the original petition was filed. We did not receive a substantive response from any respondent interested party to this proceeding. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department determined to conduct an expedited, 120-day review of this order.

In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995). On September 7, 1999, the Department determined that the sunset review of the antidumping duty order on light-walled welded rectangular carbon steel tubing from Taiwan is extraordinarily complicated and extended the time limit for completion of the final results of this review until not later than November 29, 1999, in accordance with section 751(c)(5)(B) of the Act.²

Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping duty order, and it shall provide to the International Trade Commission ("the Commission") the magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's determination concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. Additionally, the domestic interested parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826,

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¹ See *Final Determination of Sales at Less than Fair Value; Light-Walled Welded Rectangular Carbon Steel Tubing from Taiwan*, 64 FR 5532 (February 3, 1999).

² See *Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 48579 (September 7, 1999).

pt.1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the bases for likelihood determinations. In its *Sunset Policy Bulletin*, the Department indicated that determinations of likelihood will be made on an order-wide basis (see section II.A.2). In addition, the Department indicated that normally it will determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (see section II.A.3).

In addition to considering the guidance on likelihood cited above, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant review, the Department did not receive a response from any respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations* this constitutes a waiver of participation.

In their substantive response, the domestic interested parties argue that revocation of the subject order would have the effect of resumption of sales at less than fair value by margins equivalent to or greater than those found in the original investigation and subsequent reviews (see June 2, 1999, Substantive Response of domestic interested parties at 3).

With respect to whether imports of the subject merchandise ceased after the issuance of the order, the domestic interested parties assert that, since the issuance of the order, imports of subject tubing from Taiwan to the United States have almost disappeared entirely. *Id.* For instance, they contend, whereas in 1988 (the year before the antidumping duty order was issued), there were nearly 16,000 tons of U.S. imports of subject merchandise from Taiwan, in 1998, there were less than 100 tons of subject imports from Taiwan. *Id.* Thus, the domestic interested parties argue that continuing margins and the nearly total cessation of U.S. imports of the subject merchandise from Taiwan indicate a strong likelihood of continuation of dumping should the Department revoke this order. *Id.*

The Department agrees with the domestic interested parties' argument that continuing margins and the nearly total cessation of U.S. imports from Taiwan indicate a strong likelihood that Taiwanese importers/producers will continue to export at less than fair value in the absence of the order. We found that, according to U.S. Census Bureau IM149 reports, imports declined significantly during the period following the order and margins continue to exist at levels above *de minimis*. If imports cease or decline significantly, it is reasonable to assume that exporters could not sell in the United States without dumping and that, to reenter the U.S. market, they would have to resume dumping.³ Further, if dumping continues after the issuance of an order, it is reasonable to determine that dumping would continue were the order revoked.

Given that dumping has continued at levels above *de minimis* after the issuance of the order, import volumes for subject merchandise declined significantly, respondent interested parties have waived their right to participate in this review before the Department, and absent argument and evidence to the contrary, the Department determines that dumping is likely to continue were the order revoked.

Magnitude of the Margin

In the *Sunset Policy Bulletin* the Department states that it will normally provide to the Commission the margin that was determined in the final determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation (see section II.B.1 of the *Sunset Policy Bulletin*). Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty-absorption determinations (see sections II.B.2 and 3 of the *Sunset Policy Bulletin*).

In their substantive response, the domestic interested parties assert that, because imports of subject merchandise from Taiwan into the United States declined significantly after the issuance of the order, the Department should

³ Department of Commerce Policy Bulletin, Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders quoting the Uruguay Round Agreements Act, Statement of Administrative Action (citation omitted), 63 FR 18871, 18872 (April 16, 1998).

report to Commission the margin from the original investigation (see June 2, 1999, Substantive Response of domestic interested parties at 3).

The Department agrees with the domestic interested parties' argument concerning the margins to report to the Commission. The margins from the original investigation are the only rates that reflect the behavior of Taiwanese producers/exporters without the discipline of the order and, therefore, are probative of the behavior of producers/exporters of subject merchandise from Taiwan if the order were revoked.

Final Results of Review

As a result of this review, the Department finds that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the margins listed below:

Producer/exporter	Margin (percent)
Omatube Enterprise ("Omatube")	5.51
Vulcan Industrial Corp.	40.97
Yieh Hsing Industries, Ltd.	40.97
All Others	29.15

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation. This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: November 27, 1999.

Richard W. Moreland,
Acting Assistant Secretary for Import Administration.

[FR Doc. 99-31424 Filed 12-2-99; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-583-008]

Final Results of Expedited Sunset Review: Small Diameter Carbon Steel Pipes and Tubes From Taiwan.

AGENCY: Import Administration,
International Trade Administration,
Department of Commerce

ACTION: Notice of final results of expedited sunset review: Small diameter carbon steel pipes and tubes from Taiwan.

SUMMARY: On May 3, 1999, the Department of Commerce (the "Department") initiated a sunset review of the antidumping order on small diameter carbon steel pipes and tubes from Taiwan (64 FR 23596) pursuant to section 751(c) of the Tariff Act of 1930, as amended (the "Act"). On the basis of a notice of intent to participate and adequate substantive response filed on behalf of domestic interested parties and inadequate response (in this case, no response) from respondent interested parties, the Department determined to conduct an expedited sunset review. As a result of this review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels indicated in the Final Result of Review section of this notice.

FOR FURTHER INFORMATION CONTACT: Eun W. Cho or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 482-1698 or (202) 482-1560, respectively.

EFFECTIVE DATE: December 3, 1999.

Statute and Regulations

This review was conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders, 63 FR 13516 (March 20, 1998) ("Sunset Regulations") and in 19 C.F.R. Part 351 (1999) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin, 63 FR 18871 (April 16, 1998) ("Sunset Policy Bulletin").

Scope

The subject merchandise under consideration is welded carbon steel pipes and tubes of circular cross section, from Taiwan ("steel pipes"), with walls not thinner than 0.065 inch and outside diameter 0.375 inch or more but not over 4½ inches. These products are commonly referred to in the industry as standard pipe and are produced to

various American Society of Testing Materials specifications, most notably A-53, A-120, or A-135.

Standard pipe is currently classified under Harmonized Tariff Schedule of the United States ("HTSUS") item numbers 7306.30.5025, 7306.30.5032, 7306.30.5040, and 7306.30.5055.

The HTSUS item numbers are provided for convenience and customs purposes only. The written product description of the scope of this order remains dispositive.

History of the Order

The antidumping duty order on small diameter carbon steel pipes and tubes from Taiwan was published in the *Federal Register* on May 7, 1984 (49 FR 19369). In that order, the Department determined that the weighted-average dumping margins for Kao Hsing Chang, Tai Feng, Yieh Hsing, and all others are 9.7, 43.7, 38.5, and 9.7 percent, respectively. Since that time, the Department has completed several administrative reviews, one revision of a review, and is currently conducting a sixth administrative review, for which the Department has published the preliminary results.¹ We note that the Department has not conducted any investigation with respect to duty absorption regarding the exports of the subject merchandise. The order remains in effect for all manufacturers and exporters of the subject merchandise.

Background

On May 3, 1999, the Department initiated a sunset review of the

¹ See, Circular Welded Carbon Steel Pipes and Tubes From Taiwan; Final Results of Administrative Review of Antidumping Duty Order, 51 FR 43946 (December 5, 1986); Revised Final Results of Administrative Review of Antidumping Duty Order; Circular Welded Carbon Steel Pipes and Tubes From Taiwan, 53 FR 51128 (December 20, 1988); Certain Circular Welded Carbon Steel Pipes and Tubes From Taiwan; Final Results of Antidumping Duty Administrative Review, 53 FR 41218 (October 20, 1988); Certain Circular Welded Carbon Steel Pipes and Tubes From Taiwan; Amendment to Final Results of Antidumping Duty Administrative Review, 54 FR 1752 (January 17, 1989); Certain Circular Welded Carbon Steel Pipes and Tubes From Taiwan; Final Results of Antidumping Duty Administrative Review, 54 FR 46432 (November 3, 1989); Certain Circular Welded Carbon Steel Pipes and Tubes From Taiwan; Final Results of Antidumping Duty Administrative Review and Determination not to Revoke in Part, 56 FR 8741 (March 1, 1991); and Certain Circular Welded Carbon Steel Pipes and Tubes From Taiwan; Final Results of Antidumping Duty Administrative Review, 62 FR 52971 (October 10, 1997). Currently, the Department is conducting an administrative review covering the period between May 1, 1997 and April 30, 1998, and has issued preliminary results of review. See, Certain Circular Welded Carbon Steel Pipes and Tubes From Taiwan; Preliminary Results of Antidumping Duty Administrative Review and Partial Rescission of Review, 64 FR 30306 (June 7, 1999).

antidumping duty order on steel pipes from Taiwan (64 FR 23596) pursuant to section 751(c) of the Act. The Department received a joint Notice of Intent to Participate on behalf of Allied Tube and Conduit Corp., Sawhill Tubular Division—Armco, Inc., Century Tube, IPSCO Tubular Inc., LTV Steel Tubular Products, Maverick Tube Corporation, Sharon Tube Company, Western Tube and Conduit, and Wheatland Tube Co. (hereinafter referred to as "domestic interested parties") on May 18, 1999, within the deadline specified in section 351.218(d)(1)(i) of the Sunset Regulations. In their Notice of Intent to Participate, the domestic interested parties note that they are not related to foreign producers and exporters, nor are they importers of the subject merchandise within the meaning of 771(4)(B) of the Act.

We received a complete substantive response from the domestic interested parties on June 2, 1999, within the 30-day deadline specified in section 351.218(d)(3)(i) of the Sunset Regulations. The domestic interested parties claim interest party status under section 771(9)(C) of the Act as producers or manufacturers of a domestic like product. The domestic interested parties note that while some companies participated in the original investigation and a particular company in previous administrative reviews, others are partaking in the instant review for the first time.² We did not receive a substantive response from any respondent interested party to this proceeding. Consequently, pursuant to section 351.218(e)(1)(ii)(C) of the Sunset Regulations, the Department determined to conduct an expedited, 120-day, review of this order.

In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, order in effect on January 1, 1995). Therefore, on September 7, 1999, the Department determined that the sunset review of the antidumping duty order on steel pipes from Taiwan is extraordinarily complicated and extended the time limit for completion of the final results of this review until not later than

² Allied Tube and Conduit Corp. and Western Tube and Conduit participated in the original investigation. Sawhill Tubular Division participated in subsequent administrative reviews. The rest of the interested parties are participating in the ongoing review for the first time. (See June 2, 1999, Substantive Response of Domestic interested parties at 3.)

November 29, 1999, in accordance with section 751(c)(5)(B) of the Act.³

Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping order, and shall provide to the International Trade Commission ("the Commission") the magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. In addition, the comments of the domestic interested parties, with respect to continuation or recurrence of dumping and the magnitude of the margin, are addressed within the respective sections below.

Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt.1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its Sunset Policy Bulletin providing guidance on methodological and analytical issues, including the bases for likelihood determinations. In its Sunset Policy Bulletin, the Department indicated that determinations of likelihood will be made on an order-wide basis (see section II.A.2). In addition, the Department indicated that normally it will determine that revocation of an antidumping order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the

subject merchandise declined significantly (see section II.A.3).

In addition to considering the guidance on likelihood cited above, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant review, the Department did not receive a response from any respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the Sunset Regulations, this constitutes a waiver of participation.

The domestic interested parties argue that the sales of the subject merchandise at less-than-fair value would resume if the antidumping order were revoked. (See June 2, 1999 Substantive Response of the domestic interested parties at 3.) In support of their argument, the domestic interested parties proffer data pertaining to the import volumes and dumping margins of the subject merchandise during the relevant period. Specifically, the domestic interested parties note that the volume of imports of the subject merchandise immediately and dramatically decreased after the discipline of the antidumping order was put into effect. *Id.* Furthermore, the domestic interested parties indicate that, at least for some companies, the dumping margins have continuously existed at levels above *de minimis* since the issuance of the order. *Id.*

Domestic interested parties' argument concerning the import volumes of the subject merchandise are supported by the data in both U.S. Census Bureau IM146 reports ("IM146") and U.S. International Trade Commission Interactive Tariff and Trade Data Web ("ITC Data Web"). A year before the issuance of antidumping order, 1983, the import volume of the subject merchandise was 118,510 metric tons. In the year of the order, in 1984, the import volume fell to 3,250 metric tons—a drop of more than 97 percent. From 1985 to 1994, although the volumes of import of the subject merchandise varied widely,⁴ the average import volume of the subject merchandise was 9,191 metric tons, which is less than 8 percent of the pre-order volume.

As the Sunset Policy Bulletin notes, the continued existence of dumping margins with the discipline of an order in place is highly indicative of the likelihood that dumping would

continue or recur if the discipline is removed. (See the Sunset Policy Bulletin, 63 FR at 18872, the SAA at 890, and the House Report at 63-64.) The Department has issued five final results of administrative reviews with respect to the antidumping order under consideration. Also, the Department currently is conducting an administrative review and has issued its preliminary results.⁵ Except in one review, in which the Department did not find any dumping by the companies reviewed, the Department found the dumping margins above the *de minimis* level in all other reviews. As a result, we find that, since the issuance of the antidumping duty order, dumping of steel pipes from Taiwan has continued at margins above the *de minimis* level.

In conclusion, inasmuch as the respondent interested parties waived their right to participate in this review, import volumes of the subject merchandise have declined significantly after the imposition of the order, and dumping of the subject merchandise continued at margins above *de minimis*, we find that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping.

Magnitude of the Margin

In the Sunset Policy Bulletin, the Department stated that it will normally provide to the Commission the margin that was determined in the final determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the all-others rate from the investigation. (See section II.B.1 of the Sunset Policy Bulletin.) Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations. (See sections II.B.2 and 3 of the Sunset Policy Bulletin.)

The Department, in its notice of the antidumping duty order on steel pipes from Taiwan, established both company-specific and all-others weighted-average dumping margins (49 FR 19369, May 7, 1984).⁶ We note that, to date, the Department has not issued any duty absorption findings in this case.

The domestic interested parties urge the Department to find that the dumping

³ See Extension of Time Limit for Final Results of Five-Year Reviews, 64 FR 48579 (September 7, 1999).

⁴ In 1986, the import volume of the subject merchandise was 48,027 metric tons (about 40 percent of pre-order volume). In 1993, however, the volume of the subject merchandise dropped to zero. See, IM146 reports and ITC Data Web.

⁵ See footnote 1 above.

⁶ See Certain Circular Welded Carbon Steel Pipes and Tubes From Taiwan; Antidumping Duty Order, 49 FR 19369 (May 7, 1984).

margins likely to prevail if the order is revoked should be those from the original investigation. (See the domestic interested parties' June 2, 1999 substantive response.) We agree with the domestic interested parties. Absent argument and evidence to the contrary, we find that the margins calculated in the original investigation are probative of the behavior of Taiwanese producers/exporters of the subject merchandise if the order were revoked because the margins from the original investigation are the only ones that reflect their behavior absent the discipline of the order. Therefore, the Department will report to the Commission the company-specific and all-others margins reported in the Final Results of Review section of this notice.

Final Results of Review

Based on the above analysis, the Department finds that revocation of the antidumping order would likely lead to continuation or recurrence of dumping at the margins listed below:

Manufacturer/exporter	Margin (percent)
Kao Hsing Chang	9.7
Tai Feng	143.7
Yieh Hsing	38.5
All-others	9.7

¹Tai Feng Industries supposedly went out of business in November 1983. See, Circular Welded Carbon Steel Pipes and Tubes From Taiwan; Final Results of Administrative Review of Antidumping Duty Order, 51 FR 43946 (December 5, 1986). However, in response to the Department's request, the Economic Division of the Taipei Economic and Cultural Representative Office in the United States indicated that it cannot acquire clear information regarding Tai Feng Industries.

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: November 29, 1999.

Richard W. Moreland,
Acting Assistant Secretary for Import Administration.

[FR Doc. 99-31432 Filed 12-2-99; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-489-501]

Final Results of Expedited Sunset Review: Certain Welded Carbon Steel Pipes and Tubes From Turkey

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final results of Expedited Sunset Review: Certain welded carbon steel pipes and tubes from Turkey.

SUMMARY: On May 3, 1999, the Department of Commerce ("the Department") initiated a sunset review of the antidumping duty order on certain welded carbon steel pipes and tubes from Turkey (64 FR 23596) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and substantive comments filed on behalf of domestic interested parties and inadequate response (in this case, no response) from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels indicated in the Final Results of Review section of this notice.

FOR FURTHER INFORMATION CONTACT:

Kathryn B. McCormick or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-1930 or (202) 482-1560, respectively.

EFFECTIVE DATE: December 3, 1999.

Statute and Regulations

This review was conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) ("*Sunset Regulations*"), and 19 C.F.R. Part 351(1999) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*; Policy Bulletin, 63 FR 18871

(April 16, 1998) ("*Sunset Policy Bulletin*").

Scope

The products covered by this order include circular welded non-alloy steel pipes and tubes, of circular cross-section, with an outside diameter of 0.372 inches or more, but not more than 16 inches in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted) or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipe, though they may also be called structural or mechanical tubing in certain applications. Standard pipes and tubes are intended for the low-pressure conveyance of water steam, natural gas, air and other liquids and gases in plumbing and heating systems, air-conditioner units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light

load-bearing and mechanical applications, such as for fence tubing, and for protections of electrical wiring, such as conduit shells.

The scope is not limited to standard pipe and fence tubing or those types or mechanical and structural pipe that are used in standard pipe applications. All carbon-steel pipes and tubes within the physical description outline above are included in the scope of this order, except for line pipe, oil-country tubular goods, boiler tubing, cold-drawn or cold-rolled mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished rigid conduit. The subject merchandise was classifiable under items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, and 610.3252, 610.3254, 610.3256, 610.3258, 610.4925 of the Tariff Schedules of the United States Annotated ("TSUSA"); currently, it is classifiable under item numbers 7306.30.1000, 7306.30.5025,

7306.30.5032, and 7306.30.5040, 7306.30.5055, 7306.30.5805 and 7306.30.5090 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the TSUSA and HTSUS item numbers are provided for convenience and customs purposes, the written description remains dispositive.

History of the Order

In the original investigation, covering the period February 1, 1985, through July 31, 1986 (51 FR 13044, April 7, 1986), the Department determined a margin of 1.26 percent for Borusan Ithicat ve Dagitim ("Borusan"); 23.12 percent for Mannesmann-Sumerbank Boru Industriisi ("Mannesmann") and Erkboru Profil Sanayi ve Ticaret ("Erkboru"); and 14.17 percent for "all others."

There have been six administrative reviews for the subject antidumping duty order. A summary of these reviews follows:

Review	Period of Review ("POR")	Citation
(1)	3 Jan 1986–30 April 1987	53 FR 39632 (October 11, 1988).
(2)	1 May 1987–30 April 1988	57 FR 54046 (November 16, 1992).
(3)	1 May 1988–30 April 1989	56 FR 23864 (May 24, 1991).
(4)	1 May 1993–30 April 1994	62 FR 51629 (October 2, 1997).
(5)	1 May 1994–30 April 1995	62 FR 62758 (November 25, 1997) Amended. 61 FR 69067 (December 31, 1996).
(6)	1 May 1996–30 April 1997	62 FR 16547 (April 7, 1997) Amended. 62 FR 27013 (May 16, 1997) Amended. 63 FR 35190 (June 29, 1998).

In addition to the companies subject in the original investigation, the Department has investigated and/or reviewed imports from producers/exporters Borusan Holding A.S., Borusan Gemlik Boru Tesisleri A.S., Borusan Boru Sanayii A.S., Istikbal Ticaret A.S., Borusan Ihracat Ithalat ve Dagitim A.S., and Tubeco Pipe and Steel Corporation (collectively, the "Borusan Group"); Yucelboru Ihracat, Ithalat ve Pazarlama A.S. ("Yucel Boru"); and Erbosan Erviyas Boru Sanayii ve Ticaret A.S. ("Erbosan"). To date, the Department has not issued a duty absorption determination in this case.

Background

On May 3, 1999, the Department initiated a sunset review of the antidumping duty order on certain welded carbon steel pipes and tubes from Turkey (64 FR 23596), pursuant to section 751(c) of the Act. The Department received a notice of intent to participate on behalf of Allied Tube and Conduit Corp., Sawhill Tubular Division—Amoco, Inc., Century Tube, IPSCO Tubular Inc., LTV Steel Tubular

Products, Maverick Tube Corporation, Sharon Tube Company, Western Tube and Conduit, and Wheatland Tube Company (collectively "domestic interested parties") on May 18, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. The domestic interested parties claimed interested party status under 19 U.S.C. 1677(9)(C) as U.S. producers of welded carbon steel pipes and tubes. We received a complete substantive response from the domestic interested parties on June 2, 1999, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i). We did not receive a substantive response from any respondent interested party to this proceeding. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department determined to conduct an expedited, 120-day review of this order.

In accordance with 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (i.e., an order in effect on January 1, 1995). On September 7, 1999, the Department

determined that the sunset review of the antidumping order on welded carbon steel pipes and tubes from Turkey is extraordinarily complicated and, therefore, the Department extended the time limit for completion of the final results of this review until not later than November 29, 1999, in accordance with section 751(c)(5)(B) of the Act.¹

Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping duty order, and

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¹ See *Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 48579 (September 7, 1999).

shall provide to the International Trade Commission ("the Commission") the magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. Additionally, the domestic interested parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt.1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the bases for likelihood determinations. In its *Sunset Policy Bulletin*, the Department indicated that determinations of likelihood will be made on an order-wide basis (see section II.A.2). In addition, the Department indicated that normally it will determine that revocation of an antidumping order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (see section II.A.3).

In addition to consideration of the guidance on likelihood cited above, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant review, the Department did not receive a response from any respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations*, this constitutes a waiver of participation.

In their substantive response, the domestic interested parties argue that revocation of the subject order would result in the resumption of sales at less-than-fair value by margins equivalent to or greater than those found in the original investigation (see June 2, 1999,

Substantive Response of domestic interested parties at 3). With respect to whether dumping continued at any level above *de minimis* after the issuance of the order, the domestic interested parties assert only that margins continue to exist and, in some reviews, have increased since the original investigation. *Id.* With respect to whether import volumes for the subject merchandise declined significantly, the domestic interested parties note that 1998 imports amounted to only 7,400 tons (75 million kg), nearly a quarter of 1985 (the year prior to the subject order) figures. *Id.*

As discussed in section II.A.3 of the *Sunset Policy Bulletin* the SAA at 890, and the House Report at 63-64, if companies continue dumping with the discipline of an order in place, the Department may reasonably infer that dumping would continue if the discipline were removed. Dumping margins above *de minimis* have existed throughout the life of the order, and continue to exist, for shipments of subject merchandise from some Turkish producers/exporters investigated by the Department.

Consistent with section 752(c) of the Act, the Department considered the volume of imports before and after the issuance of the 1986 order. The statistics on imports of the subject merchandise cited by the domestic interested parties and those examined by the Department (U.S. Census Bureau IM146 reports), show that Turkish producers/exporters continued to export after the order was issued, and peaked at approximately 42 million kilograms in 1987, and 1994. From 1988 through 1998, imports averaged approximately 15 million kilograms, less than half of pre-order volumes.

Based on this analysis, the Department finds that the existence of dumping margins after the issuance of the order is highly probative of the likelihood of continuation or recurrence of dumping. Given that dumping has continued at levels above *de minimis* after the issuance of the order, import volumes for subject merchandise significantly declined, respondent interested parties have waived their right to participate in this review before the Department, and absent argument and evidence to the contrary, the Department determines that dumping is likely to continue if the order were revoked.

Magnitude of the Margin

In the *Sunset Policy Bulletin* the Department stated that it will normally provide to the Commission the margin that was determined in the final

determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation (see section II.B.1 of the *Sunset Policy Bulletin*). Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations (see sections II.B.2 and 3 of the *Sunset Policy Bulletin*).

In their substantive response, the domestic interested parties argue that both the overall decrease in imports from Turkey into the United States and continuing presence of even higher dumping margins than those found in the original investigation indicate a strong likelihood of continuation of dumping should the order be revoked. Accordingly, the domestic interested parties assert that the Department should find the magnitude of the margin of dumping likely to prevail to be the margins found for Turkish producers/exporters in the original investigation (see June 2, 1999, Substantive Response of domestic interested parties at 3).

The Department agrees with the domestic interested parties' suggestion that the Department should report to the Commission the margins from the original investigation. These margins are the only margins that reflect the behavior of exporters absent the discipline of the order. Absent argument or evidence to the contrary, the Department sees no reason to change its usual practice of selecting the margins from the original investigation. We will report to the Commission the margins contained in the Final Results of Review section of this notice.

Final Results of Review

As a result of this review, the Department finds that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the margins listed below:

Producer/exporter	Margin (percent)
Borusan Ithicat ve Dagitim	1.26
Erkboru Profil Sanayi ve Ticaret	23.12
Mannesmann-Summerbank	
Boru Industriisi	23.12
All others	14.74

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance

with 19 CFR 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: November 9, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99-31421 Filed 12-2-99; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-502]

Final Results of Expedited Sunset Review: Certain Welded Carbon Steel Pipes and Tubes From India

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final results of expedited Sunset Review: Certain welded carbon steel pipes and tubes from India.

SUMMARY: On May 3, 1999, the Department of Commerce ("the Department") initiated a sunset review of the antidumping duty order on certain welded carbon steel pipes and tubes from India (64 FR 23596) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and substantive comments filed on behalf of domestic interested parties and inadequate response (in this case, no response) from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping

duty order would be likely to lead to continuation or recurrence of dumping at the levels indicated in the *Final Results of Review* section of this notice.

FOR FURTHER INFORMATION CONTACT: Kathryn B. McCormick or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-1698 or (202) 482-1560, respectively.

EFFECTIVE DATE: December 3, 1999.

Statute and Regulations

This review was conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) ("*Sunset Regulations*"), and 19 C.F.R. Part 351 (1999) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) ("*Sunset Policy Bulletin*").

Scope

The products covered by this order include circular welded non-alloy steel pipes and tubes, of circular cross-section, with an outside diameter of 0.372 inches or more, but not more than 16 inches in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted) or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipe, though they may also be called structural or mechanical tubing in certain applications. Standard pipes and tubes

are intended for the low-pressure conveyance of water, steam, natural gas, air and other liquids and gases in plumbing and heating systems, air-conditioner units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing and mechanical applications, such as for fence tubing, and for protections of electrical wiring, such as conduit shells.

The scope is not limited to standard pipe and fence tubing or those types or mechanical and structural pipe that are used in standard pipe applications. All carbon-steel pipes and tubes within the physical description outline above are included in the scope of this order, except for line pipe, oil-country tubular goods, boiler tubing, cold-drawn or cold-rolled mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished rigid conduit. The subject merchandise was classifiable under items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258, and 610.4925 of the Tariff Schedules of the United States Annotated ("TSUSA"); currently, it is classifiable under item numbers 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5805, and 7306.30.5090 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the TSUSA and HTSUS item numbers are provided for convenience and customs purposes, the written description remains dispositive.

History of the Order

In the final determination of the original investigation, covering the period February 1, 1985, through July 31, 1985 (51 FR 9089, March 17, 1986), the Department determined a margin of 7.08 percent for Tata Iron & Steel Co., Ltd. ("TISCO"), and "all others."¹

There have been six administrative reviews for the subject antidumping duty order. A summary of these reviews follows:

Period of Review ("POR")	Citation
1 May 1987—30 April 1988	56 FR 64753 (December 12, 1991)
1 May 1988—30 April 1989	56 FR 64753 (December 12, 1991)
1 May 1990—30 April 1991	57 FR 54360 (November 18, 1992)
1 May 1995—30 April 1996	62 FR 47632 (September 10, 1997)
	62 FR 63070 (November 26, 1997) Amended
1 May 1996—30 April 1997	63 FR 32825 (June 16, 1998)
	63 FR 39269 (July 22, 1998) Amended
	63 FR 66120 (December 1, 1998) Amended
1 May 1997—30 April 1998	64 FR 23821 (May 4, 1999)

¹ Two of the three companies investigated, Zenith Steel Pipes and Industries Ltd. and Gujarat Steel

Tubes Ltd., were excluded from the final affirmative

determination, since the Department found no sales at less than fair value.

In addition to the companies subject to the original investigation, the Department has investigated and/or reviewed imports from producers/exporters Jindal Pipes Ltd. ("Jindal"), Rajinder Pipes Ltd. ("Rajinder") and Rajinder Steel Ltd. (collectively "RSL"), and Lloyd's Metals & Engineers ("Lloyds").

To date, the Department has not issued a duty-absorption determination in this case.

Background

On May 3, 1999, the Department initiated a sunset review of the antidumping duty order on welded carbon steel pipes and tubes from India (64 FR 23596), pursuant to section 751(c) of the Act. The Department received a notice of intent to participate on behalf of Allied Tube and Conduit Corp., Sawhill Tubular Division—Amoco, Century Tube, IPSCO Tubular Inc., LTV Steel Tubular Products, Maverick Tube Corporation, Sharon Tube Company, Western Tube and Conduit, and Wheatland Tube Company (collectively "domestic interested parties") on May 18, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. The domestic interested parties claimed interested-party status under section 771(9)(C) of the Act as U.S. producers of certain welded carbon steel pipes and tubes. We received a complete substantive response from the domestic interested parties on June 2, 1999, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i). We did not receive a substantive response from any respondent interested party to this proceeding. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department determined to conduct an expedited, 120-day review of this order.

In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995). On September 7, 1999, the Department determined that the sunset review of the antidumping duty order on circular welded carbon steel pipes and tubes from India is extraordinarily complicated and extended the time limit for completion of the final results of this review until not later than November 29, 1999, in accordance with section 751(c)(5)(B) of the Act.²

Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping duty order, and it shall provide to the International Trade Commission ("the Commission") the magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. Additionally, the domestic interested parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt.1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the bases for likelihood determinations. In its *Sunset Policy Bulletin*, the Department indicated that determinations of likelihood will be made on an order-wide basis (*see* section II.A.2). In addition, the Department indicated that normally it will determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (*see* section II.A.3).

In addition to considering the guidance on likelihood cited above, section 751(c)(4)(B) of the Act provides that the Department shall determine that

revocation of an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant review, the Department did not receive a response from any respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations* this constitutes a waiver of participation.

In their substantive response, the domestic interested parties argue that revocation of the subject order would result in the resumption of sales at less than fair value by margins equivalent to those found in the original investigation (*see* June 2, 1999, Substantive Response of domestic interested parties at 3). With respect to whether dumping continued at any level above *de minimis* after the issuance of the order, the domestic interested parties assert that margins have increased since the original investigation. For example, domestic interested parties note the dumping margins for two investigated companies, Tisco and Rajinder, increased to 87.39 percent. *Id.*

With respect to import volumes, the domestic interested parties assert that import volumes for the subject merchandise declined significantly, noting that 1998 imports amounted to 12,000 tons, or nearly a 50-percent drop from the 22,000 tons imported in 1985 (the year prior to the subject order). *Id.* In their substantive response, the domestic interested parties argue that both the overall decrease in imports from India into the United States and continuing presence of even higher dumping margins than those found in the original investigation indicate a strong likelihood of continuation of dumping should the order be terminated.

As discussed in section II.A.3 of the *Sunset Policy Bulletin* the SAA at 890, and the House Report at 63-64, if companies continue dumping with the discipline of an order in place, the Department may reasonably infer that dumping would continue if the discipline were removed. Dumping margins above *de minimis* have existed throughout the life of the order, and continue to exist, for shipments of subject merchandise from all Indian producers/exporters investigated other than those excluded from this order.

Consistent with section 752(c) of the Act, we considered the volume of imports before and after the issuance of the order in 1986. The statistics on imports of the subject merchandise cited by the domestic interested parties and those we examined show that Indian³⁷ producers/exporters continued to export after the order was issued, although not

² See *Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 48579 (September 7, 1999).

at pre-order levels. According to U.S. Census Bureau IM146 reports, in 1985, the year prior to the order, approximately 20 million kilograms of subject merchandise were imported into the United States. Although imports peaked in 1988, average imports declined to approximately 7.5 million kilograms over the next ten years, which is almost 50 percent of pre-order levels.

Based on this analysis, the Department finds that the existence of dumping margins after the issuance of the order is highly probative of the likelihood of continuation or recurrence of dumping. Given that dumping has continued at levels above de minimis after the issuance of the order, average imports of subject merchandise declined after the issuance of the order, respondent interested parties have waived their right to participate in this review before the Department, and absent argument and evidence to the contrary, the Department determines that dumping is likely to continue if the order were revoked.

Magnitude of the Margin

In the *Sunset Policy Bulletin*, the Department stated that it will normally provide to the Commission the margin that was determined in the final determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation (*see* section II.B.1 of the *Sunset Policy Bulletin*). Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty-absorption determinations (*see* sections II.B.2 and 3 of the *Sunset Policy Bulletin*).

In their substantive response, the domestic interested parties, based on their argument that dumping is likely to continue should the order be terminated, urge the Department to find that the magnitudes of the margins likely to prevail are identical to the margins found for Indian producers/exporters in the original investigation (*see* June 2, 1999, Substantive Response of domestic interested parties at 3).

We agreed with the domestic interested parties' assertion that we should report to the Commission the margins from the original investigation. These margins reflect the behavior of exporters without the discipline of the order in place. Absent argument, or evidence to the contrary, we see no reason to change our usual practice. Therefore, the Department, consistent

with the SAA at 890 and the House Report at 64, will report to the Commission the margins from the original investigation as contained in this Final Results of Review section of this notice.

Final Results of Review

As a result of this review, the Department finds that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the margin listed below:

Producer/exporter	Margin (percent)
Tata Iron and Steel Company, Ltd.	7.08
All others	7.08

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 C.F.R. 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: November 29, 1999.

Richard W. Moreland,
Acting Assistant Secretary for Import Administration.

[FR Doc. 99-31423 Filed 12-2-99; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE**International Trade Administration****[A-583-803]****Light-Walled Welded Rectangular Carbon Steel Tubing From Taiwan; Corrected Final Results of Expedited Sunset Review****AGENCY:** Import Administration, International Trade Administration, Department of Commerce.**ACTION:** Notice of correction to final results of expedited sunset review: light-walled welded rectangular carbon steel tubing from Taiwan.

SUMMARY: On December 3, 1999, the Department of Commerce ("the Department") published in the **Federal Register** the final results of the sunset review of the antidumping duty order on light-walled welded rectangular

carbon steel tubing from Taiwan.¹ Subsequent to the publication of the final results, we identified an inadvertent error in the "Scope" section of the notice. Therefore, we are correcting and clarifying this inadvertent error.

The error lies in the first sentence of the scope section: "The merchandise subject to this antidumping duty order is Taiwanese light-walled welded carbon steel tubing of rectangular (including square) cross-section, having a wall thickness of not less than 0.065 inches, and 0.375 inches or more, but not over 4.5 inches in outside diameter." This sentence should be replaced with: "The merchandise covered by the antidumping duty order on Taiwan includes shipments of light-walled welded carbon steel pipes and tubes of rectangular (including square) cross-section having a wall thickness of less than 0.156 inch."²

EFFECTIVE DATE: December 3, 1999.**FOR FURTHER INFORMATION CONTACT:** Kathryn B. McCormick or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, D.C. 20230; telephone (202) 482-1930 and (202) 482-1560, respectively.

This correction is issued and published in accordance with sections 751(h) and 777(i) of the Act.

Dated: February 28, 2000.

Joseph A. Spetrini,*Acting Assistant Secretary for Import Administration.*

[FR Doc. 00-5371 Filed 3-3-00; 8:45 am]

BILLING CODE 3510-DS-P

¹ See *Final Results of Expedited Sunset Review: Light-Walled Welded Rectangular Carbon Steel Tubing from Taiwan*, 64 FR 67871 (December 3, 1999).

² See *Light-Walled Rectangular Carbon Steel Tubing from Taiwan; Final Results of Antidumping Duty Administrative Review*, 57 FR 24464 (June 9, 1992).

**INTERNATIONAL TRADE
COMMISSION**

Certain Pipe and Tube From Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela¹

AGENCY: United States International Trade Commission.

ACTION: Revised schedule for the subject 5-year reviews.

EFFECTIVE DATE: March 24, 2000.

FOR FURTHER INFORMATION CONTACT: Brian R. Allen (202-708-4728), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

SUPPLEMENTARY INFORMATION: On September 28, 1999, the Commission established a schedule for the conduct of the subject 5-year reviews (64 FR 54354, October 6, 1999). The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B), and is hereby revising its schedule.

The Commission's new schedule for the reviews is as follows: the Commission will make its final release of information on May 30, 2000; and final party comments are due on June 1, 2000.

For further information concerning the reviews see the Commission's notice cited above and the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201),

¹ The products and investigation numbers for the various countries are: Argentina: light-walled rectangular tube (731-TA-409); Brazil: circular welded nonalloy steel pipe (731-TA-532); Canada: oil country tubular goods (731-TA-276); India: welded carbon steel pipe and tube (731-TA-271); Korea: circular welded nonalloy steel pipe (731-TA-533); Mexico: circular welded nonalloy steel pipe (731-TA-534); Singapore: small diameter standard and rectangular pipe and tube (731-TA-296); Taiwan: small diameter carbon steel pipe and tube (731-TA-132), oil country tubular goods (731-TA-277), light-walled rectangular tube (731-TA-410), and circular welded nonalloy steel pipe (731-TA-536); Turkey: welded carbon steel pipe and tube (701-TA-253 and 731-TA-248); Thailand: welded carbon steel pipe and tube (731-TA-252); and Venezuela: circular welded nonalloy steel pipe (731-TA-537).

and part 207, subparts A and F (19 CFR part 207).

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.21 of the Commission's rules.

Issued: March 24, 2000.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 00-8029 Filed 3-30-00; 8:45 am]

BILLING CODE 7020-02-P

DEPARTMENT OF COMMERCE**International Trade Administration****[C-489-502]****Welded Carbon Steel Pipes and Tubes From Turkey; Final Results of Full Sunset Review****AGENCY:** Import Administration, International Trade Administration, Department of Commerce.**ACTION:** Notice of final results of full sunset review: welded carbon steel pipes and tubes from Turkey.**SUMMARY:** On November 30, 1999, the Department of Commerce ("the Department") published a notice of preliminary results of the full sunset review of the countervailing duty order

on welded carbon steel pipes and tubes from Turkey (64 FR 66895) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). We provided interested parties an opportunity to comment on our preliminary results. We did not receive comments from either domestic or respondent interested parties. As a result of this review, the Department finds that revocation of this order would be likely to lead to continuation or recurrence of a countervailable subsidy at the levels indicated in the Final Results of Review section of this notice.

FOR FURTHER INFORMATION CONTACT: Kathryn B. McCormick or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-1930 or (202) 482-1560, respectively.

EFFECTIVE DATE: April 3, 2000.**Statute and Regulations**

Unless otherwise indicated, all citations to the Act are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department regulations are to 19 CFR Part 351 (1999). Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98.3—*Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin* 63 FR 18871 (April 16, 1998) ("*Sunset Policy Bulletin*").

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Background

On November 30, 1999, the Department of Commerce ("the Department") published in the *Federal Register* a notice of preliminary results of the full sunset review of the countervailing duty order on welded carbon steel pipes and tubes from Turkey, pursuant to section 751(c) of the Act. In our preliminary results, we found that revocation of the order would be likely to lead to continuation or recurrence of countervailable subsidies, and we preliminarily determined the following net countervailable subsidies likely to prevail if the order were revoked:

Producer/exporter	Margin (percent)
Bant Boru	0.00
Borusan Group	0.68
Yucel Boru Group	0.84
Erbosan	2.89
All Others	2.90

In addition, our preliminary results contained information on the nature of the subsidy. We did not receive a case brief on behalf of either domestic or respondent interested parties within the deadline specified in 19 CFR 351.309(c)(1)(i).

Scope of Review

This order covers shipments of Turkish welded carbon steel pipes and tubes, having an outside diameter of 0.375 inch or more, but not more than 16 inches, of any wall thickness. These products, commonly referred to in the industry as standard pipe and tube or structural tubing, are produced in accordance with various American Society Testing and Materials (ASTM) specifications, most notably A-53, A-120, A-500, or A-501. The subject merchandise was originally classifiable under item number 416.30 of the Tariff Schedules of the United States Annotated ("TSUSA"); currently, they are classifiable under item numbers 7306.30.10 and 7306.30.50 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the TSUSA and HTSUS item numbers are provided for convenience and customs purposes, the written description remains dispositive.

Analysis of Comments Received

The Department did not receive case briefs from either domestic or respondent interested parties. Therefore, we have not made any changes to our preliminary results of November 30, 1999 (64 FR 66895).

Final Results of Preview

As a result of this review, the Department finds that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy at the levels listed below:

Producer/Exporter	Margin (percent)
Bant Boru	0.00
Borusan Group	0.68
Yucel Boru Group	0.84
Erbosan	2.89
All Others	2.90

In addition, we are providing information on the nature of the countervailable subsidy programs with respect to Article 3.1 (a) or Article 6 of the Subsidies Agreement as contained in our preliminary results.

The Deduction from Taxable Income for Export Revenues and Pre-Shipment Export Credit programs fall within the definition of an export subsidy under Article 3.1(a) of the Subsidies Agreement because the receipt of benefit is contingent on export performance.

The remaining programs, although not falling within the definition of an export subsidy under Article 3.1(a) of the Subsidies Agreement, could be found to be inconsistent with Article 6 if the net countervailable subsidy exceeds five percent, as measured in accordance with Annex IV of the Subsidies Agreement. However, the Department has no information with which to make such a calculation, nor do we believe it appropriate to attempt such a calculation in the course of a sunset review. Rather, we are providing the Commission with the following program descriptions.

Foreign Exchange Loan Assistance. The Government of the Republic of Turkey ("GRT") Resolution Number: 94/5782, Article 4, effective June 13, 1994, concerns the encouragement of exportation, allowing commercial banks to exempt certain fees provided that the loans are used in the financing of exportation and other foreign exchange earning activities. The exempted fees include a Resource Utilization Stabilization Fund fee of six percent of the loan principle, a Banking Insurance Tax equal to five percent of the interested and a stamp tax equal to 0.6 percent of the principal.¹

Incentive Premium on Domestically Obtained Goods. Companies holding

¹ See *Certain Welded Carbon Steel Pipes and Tubes and Welded Carbon Steel Line Pipe from Turkey; Preliminary Results and Partial Rescission of Countervailing Duty Administrative Reviews*, 62 FR 64808 (December 9, 1997).

investment incentive certificates under the *General Incentives Program ("GIP")* are eligible for a rebate of 15 percent VAT paid on locally-sourced machinery and equipment. Imported machinery and equipment are subject to the VAT and are not eligible for the rebate. These value added tax ("VAT") rebates are countervailable subsidies within the meaning of section 771(5)(D)(ii) of the Act because the rebates constitute revenue foregone by the GRT, and they provide a benefit in the amount of the VAT savings to the company. Also, they are specific under section 771(5A)(C) because their receipt is contingent upon the use of domestic goods rather than imported goods (62 FR 64808, December 9, 1997).

This notice also serves as the only reminder to parties subject to administrative protective orders ("APO") of their responsibility concerning the return or disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: March 28, 2000.

Joseph A. Spetrini,
Acting Assistant Secretary for Import Administration.

[FR Doc. 00-8157 Filed 3-31-00; 8:45 am]
BILLING CODE 3510-DS-P

factual information. The record will reopen on June 8, 2000, and will close on June 14, 2000. On June 15, 2000, the Commission will make available to parties all information on which they have not had an opportunity to comment.

On or before June 19, 2000, parties may submit final comments, not to exceed 10 pages, double-spaced and single-sided, on stationery measuring 8½ by 11 inches, addressing only this new factual information, but such final comments must not contain any new factual information not previously submitted for the record and must otherwise comply with section 207.68 of the Commission's rules.

All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain business proprietary information (BPI) must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with sections 201.16© and 207.3 of the Commission's rules, each document filed by a party to these reviews must be served on all other parties to these reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

For further information concerning the reviews see the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and F (19 CFR part 207).

EFFECTIVE DATE: June 8, 2000.

FOR FURTHER INFORMATION CONTACT: Brian R. Allen (202-708-4728), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.21 of the Commission's rules.

By order of the Commission.

Issued: June 8, 2000.

Donna R. Koehnke,
Secretary.

[FR Doc. 00-15005 Filed 6-13-00; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

Certain Pipe and Tube From Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela¹

AGENCY: United States International Trade Commission.

ACTION: Reopening of the record and request for comments on the subject 5-year reviews.

SUMMARY: The U.S. International Trade Commission (the Commission) hereby gives notice that it is reopening the record in these reviews for the purpose of considering new factual information, submitted by any person and not already submitted for the record, regarding the agreement between Siderca SA of Argentina and the United Steelworkers of America concerning the planned reactivation of the steel tube mill located in Sault Ste. Marie, Ontario, Canada, formerly operated by Algoma Steel Inc. of Canada, for the production of oil country tubular goods.

The Commission is not reopening the record for any purpose other than to receive new factual information from any person on this issue only and comments from any party on this new

¹ The products and investigation numbers for the various countries are: Argentina: light-walled rectangular tube (731-TA-409); Brazil: circular welded nonalloy steel pipe (731-TA-532); Canada: oil country tubular goods (731-TA-276); India: welded carbon steel pipe and tube (731-TA-271); Korea: circular welded nonalloy steel pipe (731-TA-533); Mexico: circular welded nonalloy steel pipe (731-TA-534); Singapore: small diameter standard and rectangular pipe and tube (731-TA-296); Taiwan: small diameter carbon steel pipe and tube (731-TA-132), oil country tubular goods (731-TA-277), light-walled rectangular tube (731-TA-410), and circular welded nonalloy steel pipe (731-TA-536); Turkey: welded carbon steel pipe and tube (701-TA-253 and 731-TA-273); Thailand: welded carbon steel pipe and tube (731-TA-252); and Venezuela: circular welded nonalloy steel pipe (731-TA-537).

ACTION: Reopening of the record and request for additional comments on the subject 5-year reviews.

SUMMARY: On June 8, 2000, the U.S. International Trade Commission (the Commission) reopened the record in the above reviews for the purpose of considering new factual information, submitted by any person and not already submitted for the record, regarding the agreement between Siderca SA of Argentina and the United Steelworkers of America concerning the planned reactivation of the steel tube mill located in Sault Ste. Marie, Ontario, Canada, formerly operated by Algoma Steel Inc. of Canada, for the production of oil country tubular goods (65 FR 37409, June 14, 2000).

The Commission hereby gives notice that it is reopening the record in these reviews for the additional purpose of considering new factual information, submitted by any person and not already submitted for the record, regarding the announced merger of Maverick Tube Corp. of the United States and Prudential Steel Ltd. of Canada.

The Commission is not reopening the record for any purpose other than to receive new factual information from any person on these issues only and comments from any party on this new factual information. The record reopened on June 8, 2000, and will close on June 14, 2000. On June 15, 2000, the Commission will make available to parties all information on which they have not had an opportunity to comment.

On or before June 19, 2000, parties may submit final comments, not to exceed 10 pages, double-spaced and single-sided, on stationery measuring 8½ by 11 inches, addressing only new factual information released to parties on June 15, 2000, regarding the two issues detailed above, but such final comments must not contain any new factual information not previously submitted for the record and must otherwise comply with section 207.68 of the Commission's rules.

All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain business proprietary information (BPI) must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's

410), and circular welded nonalloy steel pipe (731-TA-536); Turkey: welded carbon steel pipe and tube (701-TA-253 and 731-TA-273); Thailand: welded carbon steel pipe and tube (731-TA-252); and Venezuela: circular welded nonalloy steel pipe (731-TA-537).

rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with sections 201.16© and 207.3 of the Commission's rules, each document filed by a party to these reviews must be served on all other parties to these reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

For further information concerning the reviews see the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and F (19 CFR part 207).

EFFECTIVE DATE: June 13, 2000.

FOR FURTHER INFORMATION CONTACT: Brian R. Allen (202-708-4728), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.21 of the Commission's rules.

Issued: June 14, 2000.

By order of the Commission.

Donna R. Koehnke,
Secretary.

[FR Doc. 00-15385 Filed 6-16-00; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

Certain Pipe and Tube From Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela¹

AGENCY: United States International Trade Commission.

¹ The products and investigation numbers for the various countries are: Argentina: light-walled rectangular tube (731-TA-409); Brazil: circular welded nonalloy steel pipe (731-TA-532); Canada: oil country tubular goods (731-TA-276); India: welded carbon steel pipe and tube (731-TA-271); Korea: circular welded nonalloy steel pipe (731-TA-533); Mexico: circular welded nonalloy steel pipe (731-TA-534); Singapore: small diameter standard and rectangular pipe and tube (731-TA-296); Taiwan: small diameter carbon steel pipe and tube (731-TA-132), oil country tubular goods (731-TA-277), light-walled rectangular tube (731-TA-

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Certain Pipe and Tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey and Venezuela, Inv. Nos. 701-TA-253 (Review) and 731-TA-132, 252, 271, 273, 276-277, 296, 409-410, 532-534, and 536-537 (Review)

On August 5, 1999, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(5)). The Commission, in consultation with the Department of Commerce, grouped these reviews because they involve similar domestic like products.¹

Small Diameter Carbon Steel Pipe and Tube from Taiwan, Inv. No. 731-TA-132 (Review); Welded Carbon Steel Pipe and Tube from Turkey, Thailand, and India, Invs. No. 701-TA-253 and Inv. Nos. 731-TA-252, 271, 273 (Review); Circular Welded Nonalloy Steel Pipe from Brazil, Korea, Mexico, Taiwan, Venezuela, Invs. Nos. 731-TA-532-534, 536, 537 (Review)

With respect to the reviews on circular welded pipe and tube, the Commission determined that the domestic interested party group response to its notice of institution was adequate for each of the three domestic like products: small diameter carbon steel pipe and tube, welded carbon steel pipe and tube and circular welded nonalloy steel pipe and tube. The Commission received a consolidated response from nine domestic producers regarding these reviews. That response contained company specific data for each of these producers that collectively account for a majority of domestic production of the pertinent domestic like products.²

The Commission also found that the respondent interested party group responses were adequate and voted to conduct full reviews with respect to welded carbon steel pipe and tube from Turkey (for both antidumping and countervailing duty orders), and with respect to circular welded nonalloy steel pipe from Korea, Mexico and Venezuela. With respect to the review on Turkey, the Commission received a response from one Turkish producer that accounts for a substantial share of Turkish production of the subject merchandise. With respect to the review on Korea, the Commission received a consolidated response containing company specific data from eight Korean producers that collectively account for a majority of total Korean production of the subject merchandise. The Commission received separate responses from two Mexican producers estimated to collectively account for a majority of total production of the subject merchandise in Mexico. The Commission also received separate responses from two Venezuelan producers that collectively account for a majority of total production of the subject merchandise in Venezuela.

The Commission further found that the respondent interested party group responses were inadequate with respect to small diameter carbon steel pipe and tube from Taiwan, welded carbon steel

¹See 19 U.S.C. § 1675 (c)(5)(D); 63 Fed. Reg. 29372, 29374 (May 29, 1998).

²Two of the three domestic like products include welded carbon steel circular pipe and tube not over 16 inches in diameter regardless of wall thickness. The third domestic like product -- small diameter carbon steel pipe and tube -- is narrower and includes only heavy-walled circular pipe and tube not over 4.5 inches in diameter. The responding domestic producers were able to estimate their share of total U.S. production of the former two domestic like products but not the latter small diameter product.

pipe and tube from India and Thailand, and circular welded nonalloy steel pipe from Taiwan and Brazil, in that no responses were received from any respondent interested parties. The Commission nevertheless decided to conduct full reviews of these investigations in order to promote administrative efficiency in light of the Commission's decision to conduct full reviews with respect to welded carbon steel pipe and tube from Turkey and circular welded nonalloy steel pipe from Korea, Mexico and Venezuela.³

**Oil Country Tubular Goods from Canada and Taiwan, Invs. No. 731-TA-276-277
(Review)**

With respect to the review on oil country tubular goods ("OCTG") from Canada, the Commission determined that both domestic and respondent interested party group responses to its notice of institution were adequate and voted to conduct full reviews. The Commission received responses containing company specific data from five domestic producers that collectively account for a majority of domestic production of OCTG. The Commission also received responses containing company specific data from four Canadian producers that collectively account for a majority of Canadian production of OCTG. Although none of the domestic interested party responses and none of the respondent interested party responses concerning the order on Canada contained any separate data regarding drill pipe, the Commission determined to conduct full reviews for that domestic like product because of significant domestic like product issues and in order to promote administrative efficiency in light of the decision to conduct full reviews with respect to OCTG.

With respect to the review on OCTG from Taiwan, the Commission determined that the domestic interested party group response to its notice of institution was adequate. The Commission received responses containing company specific data from three domestic producers that collectively account for a majority of domestic production of OCTG. The respondent interested party group response was inadequate in that no responses were received from any interested parties. The Commission nevertheless decided to conduct full reviews in order to promote administrative efficiency in light of the Commission's decision to conduct full reviews with respect to oil country tubular goods from Canada.⁴ Although none of the domestic interested party responses concerning the order on Taiwan contained any separate data regarding drill pipe, the Commission decided to conduct full reviews for that domestic like product in order to promote administrative efficiency in light of the Commission's decision to conduct full reviews with respect to OCTG and drill pipe from Canada.⁵

Small Diameter Standard and Rectangular Pipe and Tube from Singapore, Inv. No. 731-TA-296 Review);⁶ Light-walled Rectangular Tube from Taiwan and Argentina, Invs. Nos. 731-TA-409-410 (Review)

With respect to small diameter rectangular pipe and tube from Singapore, and light-walled

³Vice Chairman Miller and Commissioner Koplán also voted to conduct full reviews because of potentially significant domestic like product issues.

⁴Commissioner Crawford dissenting.

⁵Commissioner Crawford dissenting.

⁶The original investigation covered standard pipes as well as rectangular pipes from Singapore, but the Commission only made an affirmative determination as to light-walled rectangular pipes. Accordingly, there is no order on standard pipes from Singapore.

rectangular tube from Taiwan and Argentina, the Commission determined that the domestic interested party group response was adequate.⁷ The Commission received a consolidated response from seven domestic producers that account for a significant percentage of domestic production. The Commission received company specific data from six of the seven producers.⁸ The Commission determined that the respondent interested party group response was inadequate in each review in that no responses were received from any interested parties. The Commission nevertheless voted to conduct full reviews to promote administrative efficiency in light of the Commission's determination to conduct full reviews of other orders in these grouped reviews.^{9 10}

⁷Commissioner Crawford dissenting.

⁸One of the seven domestic producers stated that it was unable to provide company specific data for the pertinent domestic like product.

⁹Chairman Bragg and Commissioner Crawford dissented because the respondent interested party responses were inadequate, and they did not find any circumstances that would warrant conducting full reviews.

¹⁰Vice Chairman Miller and Commissioner Koplán also voted to conduct full reviews because of potentially significant domestic like product issues.

APPENDIX B
CALENDAR OF THE PUBLIC HEARING

CALENDAR OF PUBLIC HEARINGS

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Certain Pipe and Tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela

Invs. Nos.: 701-TA-253 (Review); 731-TA-132, 252, 271, 273, 276, 277, 296, 409, 410, 532-534, 536, and 537 (Review)

Date and Time: March 9, 2000 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room, 500 E Street, SW, Washington, DC.

Congressional appearance:

The Honorable Phil English, U.S. Congressman, 21st District, State of Pennsylvania

OPENING REMARKS

In Support of Continuation (**Roger B. Schagrin**, Schagrin Associates)
In Support of Revocation (**Donald B. Cameron**, Kaye, Scholer, Fierman, Hays & Handler, LLP and **Christopher Dunn**, Willkie Farr & Gallagher)

IN SUPPORT OF THE CONTINUATION OF THE ORDERS:

PANEL 1 (Circular Welded Carbon Steel Pipes and Tubes)
(Light-Walled Rectangular Carbon Steel Pipes and Tubes)

Schagrin Associates
Washington, D.C.
on behalf of

Petitioner Companies

James Feeney, Senior Vice President, Wheatland Tube Company

Mark Magno, Vice President, John Maneely Company

**IN SUPPORT OF THE CONTINUATION
OF THE ORDERS-Continued:**

PANEL 1-Continued

Scott Barnes, Vice President, IPSCO Tubulars

David Carroll, Vice President and General Manager, LTV Copperweld

Robert Bussiere, Manager, Fire Protection Division, Allied Tube & Conduit

Chris Knox, General Manager, Vest, Incorporated

William Klinefelter, Assistant to the International President,
United Steelworkers of America, AFL-CIO

Robert Feinberg, Professor of Economics, American University

Roger B. Schagrin)
Nicholas Kessler)-OF COUNSEL
Andrew Knapp)

PANEL 2 (Oil Country Tubular Goods)

Schagrin Associates
Washington, D.C.
on behalf of

Petitioner Companies

Byron Dunn, President & CEO, Lone Star Steel

Steve Fowler, Senior Vice President, Lone Star Steel

Scott Evans, Vice President, Maverick Tube Corporation

Richard Preckel, Marketing Manager, Maverick Tube Corporation

Robert Feinberg, Professor of Economics, American University

Roger B. Schagrin)
Nicholas Kessler)-OF COUNSEL
Roger Banks)

**IN SUPPORT OF THE CONTINUATION
OF THE ORDERS-Continued:**

PANEL 2-Continued

Skadden, Arps, Slate, Meagher & Flom LLP
Washington, D.C.
on behalf of

Lorain Tubular Company LLC
U.S. Steel Group (a unit of USX Corporation)

Gary Gajdzik, General Manager for Tubular Products,
U.S. Steel Group

Stephen J. Narkin)
)–OF COUNSEL
Jamie L. Boucher)

**IN SUPPORT OF THE REVOCATION
OF THE ORDERS:**

PANEL 1 (Circular Welded Carbon Steel Pipes and Tubes)

Kaye, Scholer, Fierman, Hays & Handler, LLP
Washington, D.C.
on behalf of

C.A. Conduven

Julie C. Mendoza–OF COUNSEL

Kaye, Scholer, Fierman, Hays & Handler, LLP
Washington, D.C.
on behalf of

Korean Respondents

Russ McFarland, Manager of Operations, State Pipe

Laura M. Baughman, Economist, The Trade Partnership

Donald B. Cameron–OF COUNSEL

**IN SUPPORT OF THE REVOCATION
OF THE ORDERS-Continued:**

PANEL 1-Continued

Dickstein Shapiro Morin & Oshinsky LLP
Washington, D.C.
on behalf of

Borusan Group

Douglas N. Jacobson—OF COUNSEL

Shearman & Sterling
Washington, D.C.
on behalf of

Hylsa, S.A. de C.V.

Jaime Treviño, Export Manager, Tubular Products Division

Jeffrey M. Winton—OF COUNSEL

PANEL 2 (Oil Country Tubular Goods)

Willkie Farr & Gallagher
Washington, D.C.
on behalf of

Canadian Respondents

Wayne Conrad, National Sales Manager, Stelpipe Limited

Don Belch, Director of Government Relations, Stelco, Incorporated

Bruce Maleshevich, Partner, Economic Consulting Services, Incorporated

Christopher Dunn—OF COUNSEL

**IN SUPPORT OF THE REVOCATION
OF THE ORDERS-Continued:**

PANEL 2-Continued

Clifford Chance Rogers & Wells LLP
Washington, D.C.
on behalf of

Atlas Tube, Incorporated

Randy Boswell, Vice President, North American Sales

William Silverman—OF COUNSEL

White & Case LLP
Washington, D.C.
on behalf of

Siderca S.A.I.C.

David P. Houlihan—OF COUNSEL

CLOSING REMARKS

In Support of Continuation (**Roger B. Schagrin**, Schagrin Associates and
Stephen J. Narkin, Skadden, Arps, Slate, Meagher
& Flom LLP)

In Support of Revocation (**Donald B. Cameron**, Kaye, Scholer, Fierman,
Hays & Handler, LLP and
Christopher Dunn, Willkie Farr & Gallagher)

APPENDIX C
SUMMARY TABLES

Table C-1

Circular welded carbon steel pipes and tubes: Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data				Period changes	
	1997	1998	January-September		1997-98	Jan.-Sept. 1998-99
			1998	1999		
U.S. consumption quantity:						
Amount	2,812,359	2,996,472	2,304,619	2,191,218	6.5	-4.9
Producers' share (1)	76.2	73.0	73.2	73.8	-3.3	0.7
Importers' share (1):						
Brazil	(2)	(2)	(2)	(2)	0.0	0.0
India	0.4	0.4	0.5	0.3	0.0	-0.1
Korea	6.2	5.8	5.2	5.9	-0.3	0.7
Mexico	0.1	0.5	0.5	0.9	0.4	0.4
Taiwan	0.8	1.4	1.5	1.4	0.5	-0.1
Thailand	2.2	0.9	1.2	1.6	-1.3	0.4
Turkey	0.1	0.2	0.1	0.6	0.2	0.5
Venezuela	(2)	0.1	0.1	0.0	0.1	-0.1
Subtotal	9.8	9.5	9.2	10.8	-0.3	1.6
Other sources (3)	14.0	17.6	17.6	15.4	3.6	-2.2
Total imports	23.8	27.0	26.8	26.2	3.3	-0.7
U.S. consumption value:						
Amount	1,678,432	1,727,424	1,344,256	1,193,290	2.9	-11.2
Producers' share (1)	77.9	75.0	75.2	76.2	-2.9	1.0
Importers' share (1):						
Brazil	(2)	(2)	(2)	(2)	0.0	0.0
India	0.3	0.4	0.4	0.3	0.0	-0.2
Korea	4.8	4.6	4.2	4.4	-0.2	0.2
Mexico	0.1	0.5	0.5	0.8	0.4	0.3
Taiwan	0.6	1.1	1.1	1.0	0.4	-0.2
Thailand	1.8	0.8	1.0	1.2	-1.0	0.2
Turkey	0.1	0.2	0.1	0.4	0.1	0.3
Venezuela	(2)	0.1	0.1	0.0	0.1	-0.1
Subtotal	7.8	7.6	7.5	8.1	-0.2	0.6
Other sources (3)	14.3	17.3	17.3	15.7	3.1	-1.6
Total imports	22.1	25.0	24.8	23.8	2.9	-1.0
U.S. imports from:						
Brazil:						
Quantity	69	45	38	45	-33.8	19.1
Value	139	82	70	72	-41.1	3.0
Unit value	\$2,031.95	\$1,808.18	\$1,844.43	\$1,595.27	-11.0	-13.5
Ending inventory quantity	0	0	0	0	0.0	0.0
India:						
Quantity	10,095	12,137	11,190	7,429	20.2	-33.6
Value	5,367	6,211	5,686	3,097	15.7	-45.5
Unit value	\$531.63	\$511.71	\$508.09	\$416.87	-3.7	-18.0
Ending inventory quantity	0	0	0	0	0.0	0.0
Korea:						
Quantity	173,579	174,929	120,983	129,806	0.8	7.3
Value	80,284	79,702	56,583	52,656	-0.7	-6.9
Unit value	\$462.52	\$455.62	\$467.69	\$405.65	-1.5	-13.3
Ending inventory quantity	0	0	0	1,011	0.0	(4)
Mexico:						
Quantity	3,407	16,282	12,501	19,875	377.9	59.0
Value	1,957	8,262	6,360	9,712	322.1	52.7
Unit value	\$574.44	\$507.41	\$508.73	\$488.64	-11.7	-4.0
Ending inventory quantity	0	422	394	96	(4)	-75.6
Taiwan:						
Quantity	23,027	41,007	33,980	30,792	78.1	-9.4
Value	10,861	18,144	15,306	11,353	67.0	-25.8
Unit value	\$471.69	\$442.45	\$450.44	\$368.68	-6.2	-18.2
Ending inventory quantity	1,620	583	632	393	-64.0	-37.8
Thailand:						
Quantity	62,328	28,049	28,049	35,251	-55.0	25.7
Value	30,740	13,996	13,996	14,898	-54.5	6.4
Unit value	\$493.20	\$499.00	\$499.00	\$422.63	1.2	-15.3
Ending inventory quantity	3,189	1,996	477	1,924	-37.4	303.4
Turkey:						
Quantity	2,674	7,396	2,469	12,970	176.6	425.3
Value	1,225	3,334	1,163	4,920	172.0	323.2
Unit value	\$458.32	\$450.70	\$470.81	\$379.28	-1.7	-19.4
Ending inventory quantity	0	0	0	0	0.0	0.0

Table continued on next page.

Table C-1--Continued
Circular welded carbon steel pipes and tubes: Summary data concerning the U.S. market, 1997-98,
January-September 1998, and January-September 1999

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton;
period changes=percent, except where noted)

Item	Reported data				Period changes	
	1997	1998	January-September		1997-98	Jan.-Sept. 1998-99
			1998	1999		
U.S. imports from:						
Venezuela:						
Quantity	110	3,327	3,327	0	2,924.2	-100.0
Value	66	1,660	1,660	0	2,407.0	-100.0
Unit value	\$601.98	\$499.03	\$499.03	(4)	-17.1	(4)
Ending inventory quantity	0	0	0	0	0.0	0.0
Subtotal:						
Quantity	275,288	283,174	212,537	236,170	2.9	11.1
Value	130,641	131,391	100,824	96,707	0.6	-4.1
Unit value	\$474.56	\$463.99	\$474.38	\$409.48	-2.2	-13.7
Ending inventory quantity	4,809	3,001	1,503	3,424	-37.6	127.8
Other sources (3):						
Quantity	393,202	526,937	405,855	337,316	34.0	-16.9
Value	239,456	299,612	232,489	187,489	25.1	-19.4
Unit value	\$608.99	\$568.59	\$572.84	\$555.83	-6.6	-3.0
Ending inventory quantity	490	1,052	6,371	1,850	114.7	-71.0
All sources:						
Quantity	668,490	810,111	618,392	573,486	21.2	-7.3
Value	370,097	431,002	333,313	284,196	16.5	-14.7
Unit value	\$553.63	\$532.03	\$539.00	\$495.56	-3.9	-8.1
Ending inventory quantity	5,299	4,053	7,874	5,274	-23.5	-33.0
U.S. producers:						
Average capacity quantity	2,960,690	3,039,075	2,286,578	2,297,082	2.6	0.5
Production quantity	2,256,226	2,226,684	1,705,991	1,604,410	-1.3	-6.0
Capacity utilization (1)	76.2	73.3	74.6	69.8	-2.9	-4.8
U.S. shipments:						
Quantity	2,143,869	2,186,361	1,686,227	1,617,732	2.0	-4.1
Value	1,308,335	1,296,421	1,010,943	909,094	-0.9	-10.1
Unit value	\$610.27	\$592.96	\$599.53	\$561.96	-2.8	-6.3
Export shipments:						
Quantity	102,827	48,401	37,960	36,819	-52.9	-3.0
Value	57,243	28,862	22,173	19,802	-49.6	-10.7
Unit value	\$556.69	\$596.32	\$584.12	\$537.83	7.1	-7.9
Ending inventory quantity	272,395	270,889	259,005	245,331	-0.6	-5.3
Inventories/total shipments (1)	12.1	12.1	11.3	11.1	-0.0	-0.1
Production workers	2,869	2,996	2,862	2,850	4.4	-0.4
Hours worked (1,000s)	6,132	6,160	4,648	4,651	0.5	0.1
Wages paid (\$1,000s)	100,442	102,421	76,564	78,537	2.0	2.6
Hourly wages	\$15.44	\$15.79	\$15.64	\$15.97	2.3	2.1
Productivity (tons/1,000 hours)	321.3	324.0	325.6	317.8	0.8	-2.4
Unit labor costs	\$49.17	\$49.57	\$48.89	\$51.14	0.8	4.6
Net sales:						
Quantity	2,125,717	2,139,655	1,668,872	1,583,653	0.7	-5.1
Value	1,309,986	1,301,467	1,017,477	907,007	-0.7	-10.9
Unit value	\$616.26	\$608.26	\$609.68	\$572.73	-1.3	-6.1
Cost of goods sold (COGS)	1,112,093	1,106,748	864,290	768,242	-0.5	-11.1
Gross profit or (loss)	197,894	194,719	153,187	138,765	-1.6	-9.4
SG&A expenses	69,983	77,188	59,140	61,612	10.3	4.2
Operating income or (loss)	127,910	117,531	94,048	77,152	-8.1	-18.0
Capital expenditures	25,039	32,814	23,511	26,066	31.1	10.9
Unit COGS	\$523.16	\$517.26	\$517.89	\$485.11	-1.1	-6.3
Unit SG&A expenses	\$32.92	\$36.08	\$35.44	\$38.91	9.6	9.8
Unit operating income or (loss)	\$60.17	\$54.93	\$56.35	\$48.72	-8.7	-13.6
COGS/sales (1)	84.9	85.0	84.9	84.7	0.1	-0.2
Operating income or (loss)/ sales (1)	9.8	9.0	9.2	8.5	-0.7	-0.7

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Less than 0.05 percent.

(3) Estimated by the staff to remove mechanical pipe and tubing included in official Commerce statistics.

(4) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures. January-September inventory ratios are annualized.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-2
Certain small diameter circular welded carbon steel pipes and tubes: Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data				Period changes	
	1997	1998	January-September 1998	1999	1997-98	Jan.-Sept. 1998-99
U.S. consumption quantity:						
Amount	1,625,326	1,749,775	1,343,716	1,303,382	7.7	-3.0
Producers' share (1)	70.4	64.7	65.4	64.8	-5.7	-0.6
Importers' share (1):						
Taiwan	1.4	2.3	2.5	2.2	0.9	-0.3
Other sources	28.2	33.0	32.1	33.1	4.7	0.9
Total imports	29.6	35.3	34.6	35.2	5.7	0.6
U.S. consumption value:						
Amount	975,467	999,160	773,683	698,415	2.4	-9.7
Producers' share (1)	74.3	68.4	68.9	69.3	-5.9	0.4
Importers' share (1):						
Taiwan	1.1	1.8	2.0	1.5	0.7	-0.4
Other sources	24.6	29.8	29.2	29.2	5.2	0.0
Total imports	25.7	31.6	31.1	30.7	5.9	-0.4
U.S. imports from:						
Taiwan:						
Quantity	23,015	40,945	33,980	28,648	77.9	-15.7
Value	10,855	18,120	15,306	10,678	66.9	-30.2
Unit value	\$471.66	\$442.54	\$450.44	\$372.73	-6.2	-17.3
Ending inventory quantity	0	0	0	0	0.0	0.0
Other sources:						
Quantity	458,728	576,778	431,487	430,774	25.7	-0.2
Value	240,203	297,618	225,556	203,904	23.9	-9.6
Unit value	\$523.63	\$516.00	\$522.74	\$473.34	-1.5	-9.4
Ending inventory quantity	2,780	1,889	542	2,779	-32.1	412.7
All sources:						
Quantity	481,743	617,723	465,467	459,422	28.2	-1.3
Value	251,058	315,738	240,861	214,582	25.8	-10.9
Unit value	\$521.15	\$511.13	\$517.46	\$467.07	-1.9	-9.7
Ending inventory quantity	2,780	1,889	542	2,779	-32.1	412.7
U.S. producers:						
Average capacity quantity	1,658,197	1,669,390	1,244,668	1,241,968	0.7	-0.2
Production quantity	1,170,933	1,148,789	888,901	849,091	-1.9	-4.5
Capacity utilization (1)	70.3	68.5	71.1	67.9	-1.8	-3.1
U.S. shipments:						
Quantity	1,143,583	1,132,052	878,249	843,960	-1.0	-3.9
Value	724,409	683,422	532,821	483,834	-5.7	-9.2
Unit value	\$633.46	\$603.70	\$606.69	\$573.29	-4.7	-5.5
Export shipments:						
Quantity	40,702	32,511	25,743	27,986	-20.1	8.7
Value	25,232	20,346	15,445	15,565	-19.4	0.8
Unit value	\$619.91	\$625.83	\$599.98	\$556.18	1.0	-7.3
Ending inventory quantity	149,895	140,928	139,781	143,076	-6.0	2.4
Inventories/total shipments (1) ..	12.7	12.1	11.6	12.3	-0.6	0.7
Production workers	1,985	1,983	1,880	1,859	-0.1	-1.1
Hours worked (1,000s)	3,985	3,739	2,827	2,768	-6.2	-2.1
Wages paid (\$1,000s)	67,389	65,809	49,131	49,634	-2.3	1.0
Hourly wages	\$15.46	\$16.22	\$16.01	\$16.39	4.9	2.4
Productivity (tons/1,000 hours) ..	275.7	288.4	296.0	285.8	4.6	-3.4
Unit labor costs	\$57.55	\$57.29	\$55.27	\$58.46	-0.5	5.8
Net sales:						
Quantity	1,073,628	1,069,558	824,834	813,310	-0.4	-1.4
Value	692,683	662,546	515,210	481,178	-4.4	-6.6
Unit value	\$645.18	\$619.46	\$624.62	\$591.63	-4.0	-5.3
Cost of goods sold (COGS)	613,227	586,837	456,314	417,690	-4.3	-8.5
Gross profit or (loss)	79,456	75,709	58,896	63,488	-4.7	7.8
SG&A expenses	41,958	43,175	33,893	34,533	2.9	1.9
Operating income or (loss)	37,498	32,534	25,003	28,955	-13.2	15.8
Capital expenditures	7,797	7,745	5,230	6,816	-0.7	30.3
Unit COGS	\$571.17	\$548.67	\$553.22	\$513.57	-3.9	-7.2
Unit SG&A expenses	\$39.08	\$40.37	\$41.09	\$42.46	3.3	3.3
Unit operating income or (loss) ..	\$34.93	\$30.42	\$30.31	\$35.60	-12.9	17.4
COGS/sales (1)	88.5	88.6	88.6	86.8	0.0	-1.8
Operating income or (loss)/ sales (1)	5.4	4.9	4.9	6.0	-0.5	1.2

(1) "Reported data" are in percent and "period changes" are in percentage points.

Note.—Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures. January-September inventory ratios are annualized.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-3

Light-walled rectangular carbon steel pipes and tubes: Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data				Period changes	
	1997	1998	January-September		1997-98	Jan.-Sept. 1998-99
			1998	1999		
U.S. consumption quantity:						
Amount	525,598	564,898	427,891	492,192	7.5	15.0
Producers' share (1)	72.2	71.7	72.4	66.9	-0.5	-5.5
Importers' share (1):						
Argentina	0.0	0.0	0.0	0.0	0.0	0.0
Singapore	0.0	0.0	0.0	0.0	0.0	0.0
Taiwan	0.0	(2)	(2)	(2)	0.0	0.0
Subtotal	0.0	(2)	(2)	(2)	0.0	0.0
Other sources	27.8	28.3	27.6	33.1	0.5	5.5
Total imports	27.8	28.3	27.6	33.1	0.5	5.5
U.S. consumption value:						
Amount	294,483	304,292	233,228	245,151	3.3	5.1
Producers' share (1)	75.1	74.3	74.8	70.0	-0.8	-4.7
Importers' share (1):						
Argentina	0.0	0.0	0.0	0.0	0.0	0.0
Singapore	0.0	0.0	0.0	0.0	0.0	0.0
Taiwan	0.0	(2)	(2)	(2)	0.0	0.0
Subtotal	0.0	(2)	(2)	(2)	0.0	0.0
Other sources	24.9	25.7	25.2	29.9	0.8	4.7
Total imports	24.9	25.7	25.2	30.0	0.8	4.7
U.S. imports from:						
Argentina:						
Quantity	0	0	0	0	0.0	0.0
Value	0	0	0	0	0.0	0.0
Unit value	(3)	(3)	(3)	(3)	(3)	(3)
Ending inventory quantity	0	0	0	0	0.0	0.0
Singapore:						
Quantity	0	0	0	0	0.0	0.0
Value	0	0	0	0	0.0	0.0
Unit value	(3)	(3)	(3)	(3)	(3)	(3)
Ending inventory quantity	0	0	0	0	0.0	0.0
Taiwan:						
Quantity	0	47	31	38	(3)	22.1
Value	0	86	57	63	(3)	11.8
Unit value	(3)	\$1,819.40	\$1,842.88	\$1,686.80	(3)	-8.5
Ending inventory quantity	0	0	0	0	0.0	0.0
Subtotal:						
Quantity	0	47	31	38	(3)	22.1
Value	0	86	57	63	(3)	11.8
Unit value	(3)	\$1,819.40	\$1,842.88	\$1,686.80	(3)	-8.5
Ending inventory quantity	0	0	0	0	0.0	0.0
Other sources:						
Quantity	146,220	159,881	118,237	162,859	9.3	37.7
Value	73,459	78,263	58,815	73,409	6.5	24.8
Unit value	\$502.38	\$489.51	\$497.43	\$450.75	-2.6	-9.4
Ending inventory quantity	300	444	1,641	1,109	48.0	-32.4
All sources:						
Quantity	146,220	159,928	118,268	162,897	9.4	37.7
Value	73,459	78,349	58,872	73,473	6.7	24.8
Unit value	\$502.38	\$489.90	\$497.78	\$451.04	-2.5	-9.4
Ending inventory quantity	300	444	1,641	1,109	48.0	-32.4

Table continued on next page.

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Table C-3--Continued

Light-walled rectangular carbon steel pipes and tubes: Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data				Period changes	
	1997	1998	January-September		1997-98	Jan.-Sept. 1998-99
			1998	1999		
U.S. producers':						
Average capacity quantity	567,640	599,170	447,584	494,793	5.6	10.5
Production quantity	382,215	403,669	310,626	335,015	5.6	7.9
Capacity utilization (1)	67.3	67.4	69.4	67.7	0.0	-1.7
U.S. shipments:						
Quantity	379,378	404,970	309,623	329,295	6.7	6.4
Value	221,025	225,943	174,356	171,678	2.2	-1.5
Unit value	\$582.60	\$557.93	\$563.12	\$521.35	-4.2	-7.4
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	42,960	42,295	44,653	47,908	-1.5	7.3
Inventories/total shipments (1)	***	***	***	***	***	***
Production workers	528	549	553	590	4.0	6.7
Hours worked (1,000s)	1,166	1,197	1,015	1,091	2.6	7.5
Wages paid (\$1,000s)	14,729	15,530	12,854	14,275	5.4	11.1
Hourly wages	\$12.63	\$12.98	\$12.66	\$13.08	2.7	3.3
Productivity (tons/1,000 hours)	327.8	337.3	306.0	306.9	2.9	0.3
Unit labor costs	\$38.54	\$38.47	\$41.38	\$42.61	-0.2	3.0
Net sales:						
Quantity	187,993	183,392	143,617	145,252	-2.4	1.1
Value	116,251	112,005	88,643	82,849	-3.7	-6.5
Unit value	\$618.38	\$610.74	\$617.22	\$570.38	-1.2	-7.6
Cost of goods sold (COGS)	97,201	93,860	73,905	67,768	-3.4	-8.3
Gross profit or (loss)	19,050	18,146	14,738	15,081	-4.7	2.3
SG&A expenses	8,151	7,660	6,118	6,282	-6.0	2.7
Operating income or (loss)	10,899	10,485	8,620	8,800	-3.8	2.1
Capital expenditures	3,897	3,088	2,166	***	-20.8	***
Unit COGS	\$517.05	\$511.80	\$514.60	\$466.56	-1.0	-9.3
Unit SG&A expenses	\$43.36	\$41.77	\$42.60	\$43.25	-3.7	1.5
Unit operating income or (loss)	\$57.98	\$57.17	\$60.02	\$60.58	-1.4	0.9
COGS/sales (1)	83.6	83.8	83.4	81.8	0.2	-1.6
Operating income or (loss)/ sales (1)	9.4	9.4	9.7	10.6	-0.0	0.9

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Less than 0.05 percent.

(3) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures. January-September inventory ratios are annualized.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-4

OCTG other than drill pipe: Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data				Period changes	
	1997	1998	January-September		1997-98	Jan.-Sept. 1998-99
			1998	1999		
U.S. consumption quantity:						
Amount	2,464,896	1,649,796	1,378,309	759,717	-33.1	-44.9
Producers' share (1)	83.8	79.4	79.0	87.5	-4.4	8.5
Importers' share (1):						
Canada	***	***	***	***	***	***
Taiwan	(2)	(2)	(2)	(2)	0.0	0.0
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total imports	16.2	20.6	21.0	12.5	4.4	-8.5
U.S. consumption value:						
Amount	1,766,882	1,197,408	992,761	447,801	-32.2	-54.9
Producers' share (1)	82.9	78.2	78.0	82.9	-4.7	5.0
Importers' share (1):						
Canada	***	***	***	***	***	***
Taiwan	(2)	(2)	(2)	(2)	0.0	0.0
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total imports	17.1	21.8	22.0	17.1	4.7	-5.0
U.S. imports from:						
Canada:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	0	0	0	0	0.0	0.0
Taiwan:						
Quantity	3	5	2	43	68.0	1,633.4
Value	19	12	6	66	-39.1	978.3
Unit value	\$6,608.22	\$2,396.18	\$2,442.94	\$1,519.66	-63.7	-37.8
Ending inventory quantity	0	0	0	0	0.0	0.0
Subtotal:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	0	0	0	0	0.0	0.0
Other sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	660	2,171	1,446	1,638	228.7	13.3
All sources:						
Quantity	398,258	339,463	288,987	95,021	-14.8	-67.1
Value	302,033	261,486	218,809	76,396	-13.4	-65.1
Unit value	\$758.38	\$770.29	\$757.16	\$803.99	1.6	6.2
Ending inventory quantity	660	2,171	1,446	1,638	228.7	13.3

Table continued on next page.

Table C-4--Continued

OCTG other than drill pipe: Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data				Period changes	
	1997	1998	January-September		1997-98	Jan.-Sept. 1998-99
			1998	1999		
U.S. producers':						
Average capacity quantity	2,597,546	2,594,663	1,937,483	1,888,940	-0.1	-2.5
Production quantity	2,320,660	1,435,248	1,210,240	690,882	-38.2	-42.9
Capacity utilization (1)	89.3	55.3	62.5	36.6	-34.0	-25.9
U.S. shipments:						
Quantity	2,066,638	1,310,333	1,089,322	664,696	-36.6	-39.0
Value	1,464,849	935,922	773,952	371,405	-36.1	-52.0
Unit value	\$708.81	\$714.26	\$710.49	\$558.76	0.8	-21.4
Export shipments:						
Quantity	192,259	148,594	113,312	47,419	-22.7	-58.2
Value	136,204	106,212	81,295	28,057	-22.0	-65.5
Unit value	\$708.44	\$714.78	\$717.44	\$591.68	0.9	-17.5
Ending inventory quantity	188,443	164,764	202,052	133,570	-12.6	-33.9
Inventories/total shipments (1) . .	8.3	11.3	12.6	14.1	3.0	1.5
Production workers	3,835	3,182	3,190	2,204	-17.0	-30.9
Hours worked (1,000s)	8,319	5,907	4,818	3,028	-29.0	-37.2
Wages paid (\$1,000s)	150,896	100,965	84,808	52,884	-33.1	-37.6
Hourly wages	\$18.14	\$17.09	\$17.60	\$17.47	-5.8	-0.8
Productivity (tons/1,000 hours) . .	279.0	243.0	251.2	228.2	-12.9	-9.1
Unit labor costs	\$65.02	\$70.35	\$70.08	\$76.55	8.2	9.2
Net sales:						
Quantity	2,263,366	1,466,529	***	***	-35.2	***
Value	1,609,876	1,054,600	***	***	-34.5	***
Unit value	\$711.28	\$719.11	***	***	1.1	***
Cost of goods sold (COGS)	1,413,196	983,251	***	***	-30.4	***
Gross profit or (loss)	196,680	71,349	75,175	(53,537)	-63.7	(3)
SG&A expenses	69,715	60,339	47,344	32,854	-13.4	-30.6
Operating income or (loss)	126,965	11,010	27,831	(86,391)	-91.3	(3)
Capital expenditures	37,433	73,090	52,814	42,966	95.3	-18.6
Unit COGS	\$624.38	\$670.46	***	***	7.4	***
Unit SG&A expenses	\$30.80	\$41.14	***	***	33.6	***
Unit operating income or (loss) . .	\$56.10	\$7.51	***	***	-86.6	***
COGS/sales (1)	87.8	93.2	***	***	5.5	***
Operating income or (loss)/ sales (1)	7.9	1.0	***	***	-6.8	***

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Less than 0.05 percent.

(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures. January-September inventory ratios are annualized.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-5

Drill pipe: Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton;
period changes=percent, except where noted)

Item	Reported data				Period changes	
	1997	1998	January-September		1997-98	Jan.-Sept. 1998-99
			1998	1999		
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
Canada	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
Canada	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
Canada:						
Quantity	1,786	323	277	96	-81.9	-65.4
Value	4,821	840	569	394	-82.6	-30.6
Unit value	\$2,699.99	\$2,601.83	\$2,055.03	\$4,120.61	-3.6	100.5
Ending inventory quantity	0	0	0	0	0.0	0.0
Taiwan:						
Quantity	0	1	1	21	(3)	2,911.8
Value	0	2	2	25	(3)	1,360.4
Unit value	(3)	\$2,513.13	\$2,513.13	\$1,218.59	(3)	-51.5
Ending inventory quantity	0	0	0	0	0.0	0.0
Subtotal:						
Quantity	1,786	324	277	116	-81.9	-58.1
Value	4,821	842	570	419	-82.5	-26.4
Unit value	\$2,699.99	\$2,601.64	\$2,056.15	\$3,608.41	-3.6	75.5
Ending inventory quantity	0	0	0	0	0.0	0.0
Other sources:						
Quantity	11,777	7,836	7,274	2,499	-33.5	-65.6
Value	9,410	13,952	12,483	2,845	48.3	-77.2
Unit value	\$798.97	\$1,780.43	\$1,716.22	\$1,138.60	122.8	-33.7
Ending inventory quantity	4,033	3,041	3,930	2,397	-24.6	-39.0
All sources:						
Quantity	13,563	8,160	7,551	2,615	-39.8	-65.4
Value	14,231	14,794	13,054	3,265	4.0	-75.0
Unit value	\$1,049.24	\$1,812.99	\$1,728.70	\$1,248.39	72.8	-27.8
Ending inventory quantity	4,033	3,041	3,930	2,397	-24.6	-39.0

Table continued on next page.

Table C-5--Continued

Drill pipe: Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton;
period changes=percent, except where noted)

Item	Reported data				Period changes	
	1997	1998	January-September		1997-98	Jan.-Sept.
			1998	1999		1998-99
U.S. producers':						
Average capacity quantity	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid (\$1,000s)	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***
Productivity (tons/1,000 hours)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Less than 0.05 percent.

(3) Not applicable.

(4) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures. January-September inventory ratios are annualized.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-6

OCTG (including drill pipe): Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton;
period changes=percent, except where noted)

Item	Reported data				Period changes	
	1997	1998	January-September		1997-98	Jan.-Sept. 1998-99
			1998	1999		
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
Canada	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
Canada	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
Canada:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	0	0	0	0	0.0	0.0
Taiwan:						
Quantity	3	6	3	64	91.6	1,907.4
Value	19	13	8	91	-30.1	1,062.0
Unit value	\$6,608.22	\$2,410.61	\$2,457.98	\$1,422.86	-63.5	-42.1
Ending inventory quantity	0	0	0	0	0.0	0.0
Subtotal:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	0	0	0	0	0.0	0.0
Other sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	4,693	5,212	5,376	4,035	11.0	-24.9
All sources:						
Quantity	411,821	347,623	296,538	97,636	-15.6	-67.1
Value	316,264	276,280	231,862	79,661	-12.6	-65.6
Unit value	\$767.96	\$794.77	\$781.90	\$815.89	3.5	4.3
Ending inventory quantity	4,693	5,212	5,376	4,035	11.0	-24.9

Table continued on next page.

Table C-6--Continued

OCTG (including drill pipe): Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data				Period changes	
	1997	1998	January-September		1997-98	Jan.-Sept. 1998-99
			1998	1999		
U.S. producers':						
Average capacity quantity	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid (\$1,000s)	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***
Productivity (tons/1,000 hours)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Less than 0.05 percent.

(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures. January-September inventory ratios are annualized.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

APPENDIX D

**U.S. IMPORT HISTORIES OF SUBJECT PRODUCTS
FROM CERTAIN COUNTRIES**

Table D-1
Circular welded carbon steel pipes and tubes: U.S. imports, for certain countries, 1981-99

COUNTRY	1981	1982	1983	1984	1985	1986	1987	1988
	Quantity (short tons)							
Brazil	60,875	20,265	52,174	186,958	47,143	44,545	62,679	70,957
India	883	118	556	1,985	22,306	6,751	10,412	42,657
Korea	583,011	356,084	575,008	499,036	561,361	316,706	246,843	355,319
Mexico	22,161	22,180	97,095	96,776	44,055	62,448	64,636	61,605
Taiwan	116,780	95,626	141,199	31,306	59,066	129,762	56,457	62,119
Thailand	0	0	0	50	33,678	60,863	91,916	141,950
Turkey	0	0	505	2,578	36,277	17,814	113,948	28,244
Venezuela	38,120	3,790	12,911	45,370	21,581	13,812	14,336	8,247
Subtotal	821,831	498,063	879,449	864,060	825,458	652,702	661,226	771,099
All other	863,621	345,856	302,203	680,081	608,072	432,448	530,930	474,911
Total	1,685,452	843,919	1,181,652	1,544,141	1,433,530	1,085,149	1,192,156	1,246,010

COUNTRY	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Quantity (short tons)										
Brazil	30,748	55,705	44,193	8,790	424	263	572	595	69	45	45
India	21,655	17,063	12,800	1,840	666	8,407	6,974	2,699	10,095	12,137	10,392
Korea	295,643	302,675	324,704	251,604	218,493	251,318	215,321	167,227	173,579	174,929	172,019
Mexico	65,294	68,828	48,240	22,808	2,869	6,761	6,781	3,978	3,407	16,282	25,592
Taiwan	47,006	56,420	42,455	389	0	173	9,028	10,794	23,027	41,007	48,288
Thailand	32,195	10,653	5,379	20,276	29,798	57,916	80,143	85,383	62,328	28,049	48,175
Turkey	12,498	5,178	3,710	4,744	12,099	46,652	17,648	28,609	2,674	7,396	13,191
Venezuela	7,990	18,497	16,353	627	33	19	8	0	110	3,327	0
Subtotal	513,029	535,018	497,835	311,078	264,383	371,508	336,476	299,285	275,288	283,174	317,703
All other	275,242	240,257	200,004	199,984	269,530	401,040	370,734	399,495	418,459	552,640	502,754
Total	788,271	775,275	697,839	511,063	533,913	772,548	707,210	698,780	693,747	835,814	820,456

Notes--For countries comprising largest share of "All other" imports in 1998, see table CIRC-I-1. Because of rounding, figures may not add to the totals shown. Import figures for 1989 may be overstated because HTS statistical reporting number 7306.30.5030 may contain nonsubject imports. Import figures for 1992 may be understated because imports from Yugoslavia were not reported.

Source: Compiled from official Commerce statistics (TSUSA statistical reporting numbers 610.3246, 610.3248, and 610.3255 for 1981; TSUSA statistical reporting number 610.3247 for 1982 and 1983; TSUSA statistical reporting numbers 610.3254, 610.3256, 610.3258, and 610.4925 in 1984 through 1988; and HTS statistical reporting numbers 7306.30.1000, 7306.30.5025, 7306.30.5030, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5080, 7306.30.5085, and 7306.30.5090 for 1989 through 1999, with additional HTS statistical reporting numbers 7306.30.5050, 7306.30.5060, 7306.30.5065, 7306.30.5070, and 7306.30.5075 for 1989).

Figure D-1. Circular Welded Carbon Steel Pipes and Tubes: Imports from Certain Countries, 1981-99

Source: Official statistics of the U.S. Department of Commerce
 1981-1988, TSUSA specific numbers; 1989-1999, HTS specific statistical reporting numbers

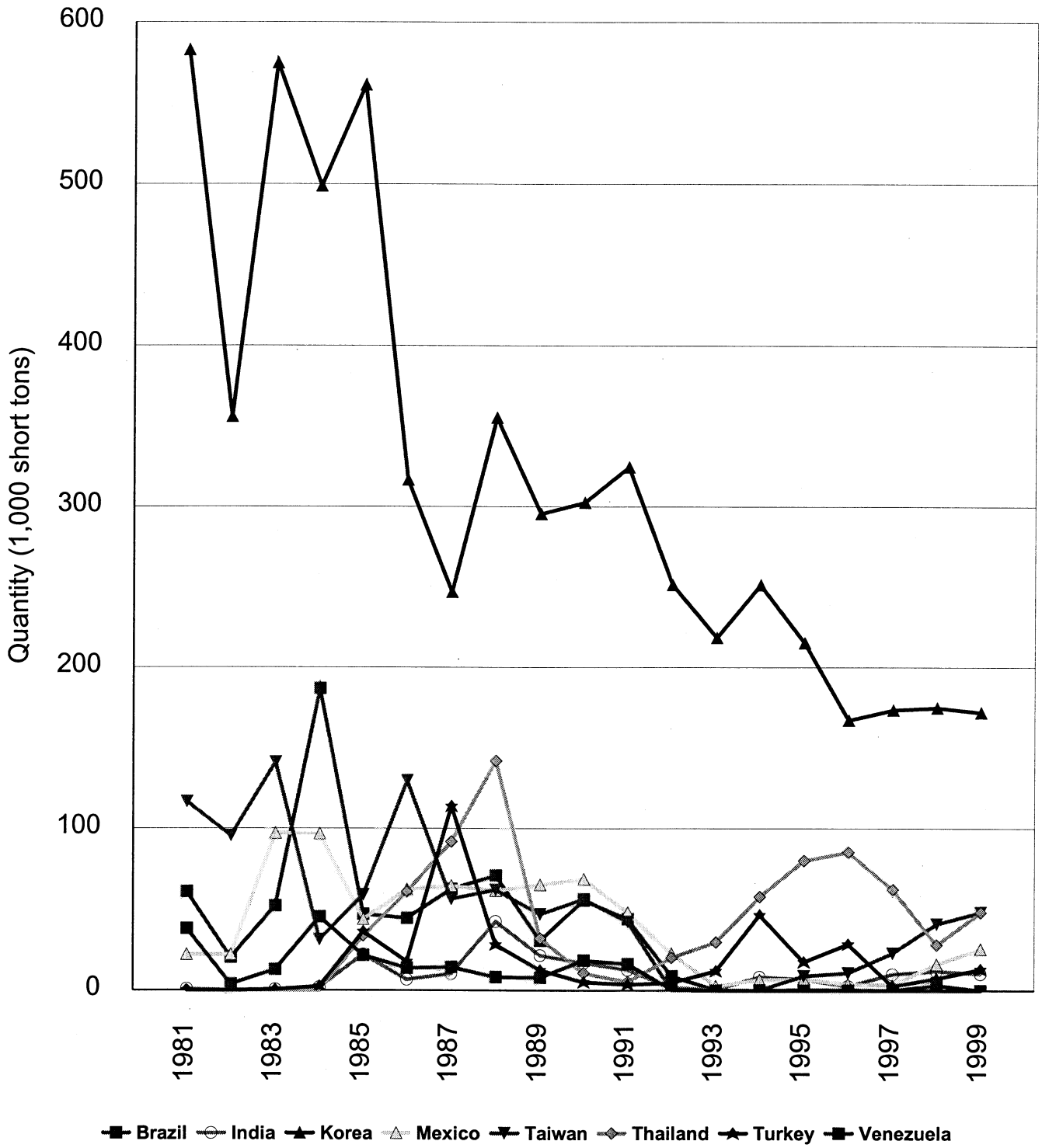


Table D-2
Certain small diameter circular welded carbon steel pipes and tubes: U.S. imports, for certain countries, 1981-99

Country	1981	1982	1983	1984	1985	1986	1987	1988
	Quantity (short tons)							
Taiwan	102,126	86,590	130,635	5,216	18,419	70,658	5,743	8,232
All other	1,113,907	485,545	777,984	1,037,801	992,050	713,162	897,405	892,600
Total	1,216,032	572,134	908,619	1,043,017	1,010,469	783,821	903,148	900,832

COUNTRY	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Quantity (short tons)										
Taiwan	4,719	14,247	3,921	2	0	121	9,028	10,794	23,015	40,945	44,933
All other	409,520	522,418	478,072	349,645	377,392	590,358	495,876	489,911	458,728	576,778	580,569
Total	414,239	536,665	481,993	349,647	377,392	590,478	504,904	500,705	481,743	617,723	625,502

Notes--Because of rounding, figures may not add to the totals shown. Import figures for 1989 may be overstated because HTS statistical reporting number 7306.30.5030 may contain nonsubject imports.

Source: Compiled from official Commerce statistics (TSUSA statistical reporting numbers 610.3218, 610.3216, 610.3218, 610.3226, and 610.3228 for 1981; TSUSA statistical reporting numbers 610.3231, 610.3232, 610.3241, and 610.3244 for 1982 and 1983; TSUSA statistical reporting numbers 610.3231, 610.3232, 610.3234, 610.3241, 610.3242, 610.3243, 610.3244, and 610.3252 for 1984 through 1988; and HTS statistical reporting numbers 7306.30.5025, 7306.30.5030, 7306.30.5032, 7306.30.5040, and 7306.30.5055 for 1989 through 1999).

Figure D-2. Certain Small Diameter Circular Welded Carbon Steel Pipes and Tubes: Imports from Certain Countries, 1981-99

Source: Official statistics of the U.S. Department of Commerce
1981-1988, TSUSA specific numbers; 1989-1999, HTS specific statistical reporting numbers

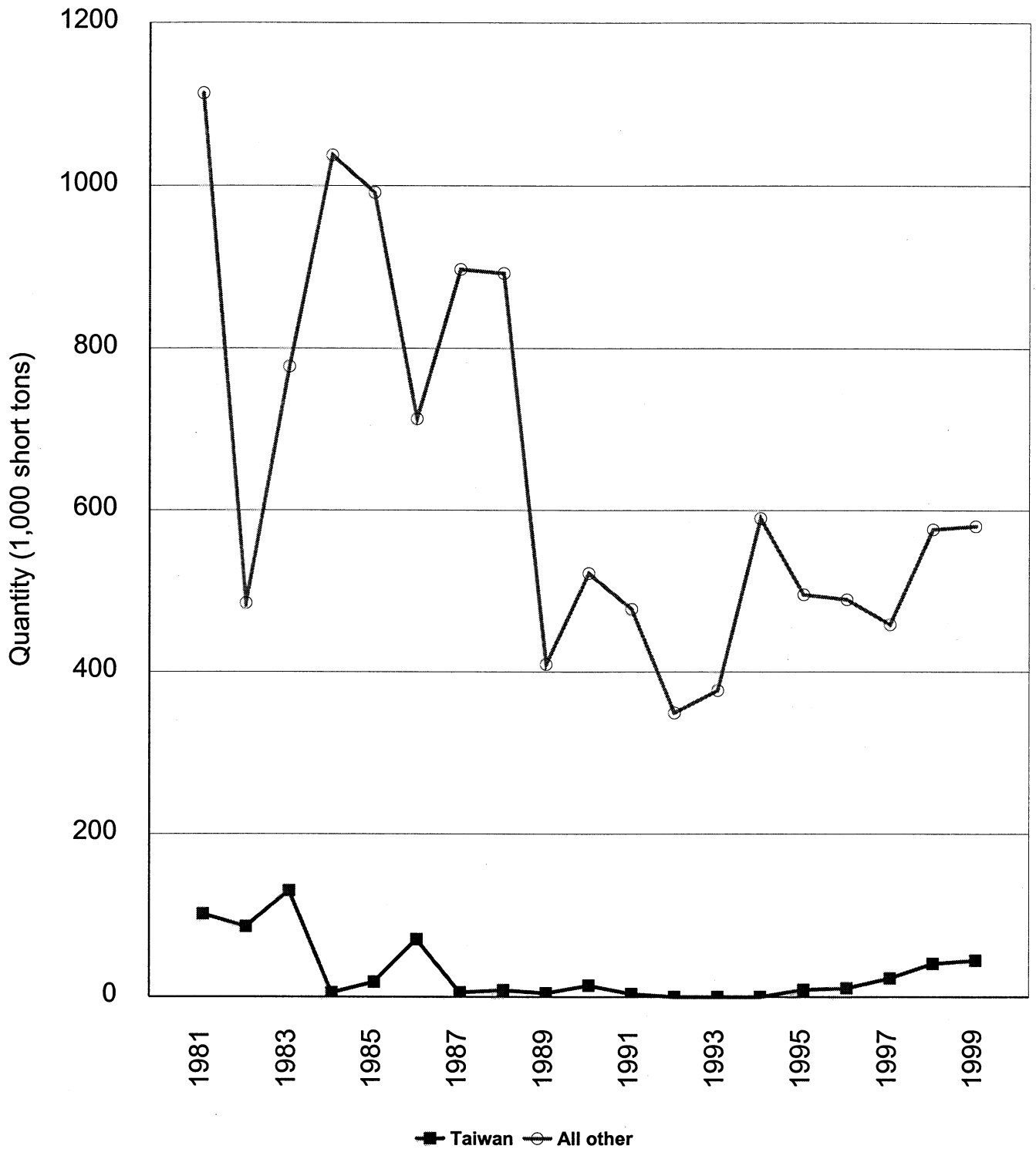


Table D-3
Light-walled rectangular carbon steel pipes and tubes: U.S. imports, for certain countries, 1983-99

COUNTRY	1983	1984	1985	1986	1987	1988
	Quantity (short tons)					
Argentina	0	1,067	121	1,846	13,080	24,260
Singapore	0	572	2,737	5,408	811	247
Taiwan	3,812	9,754	406	9,975	14,770	19,462
Subtotal	3,812	11,394	3,264	17,230	28,662	43,969
All other	76,571	93,034	80,213	52,375	50,232	47,555
Total	80,382	104,428	83,478	69,604	78,894	91,524

COUNTRY	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Quantity (short tons)										
Argentina	0	0	0	0	0	0	0	0	0	0	0
Singapore	45	74	9	0	0	0	0	0	0	0	0
Taiwan	5,375	14,188	8,519	2,620	0	7	0	112	0	47	77
Subtotal	5,420	14,262	8,528	2,620	0	7	0	112	0	47	77
All other	48,904	53,274	35,403	39,256	65,083	90,487	127,170	130,771	146,220	159,881	226,505
Total	54,324	67,536	43,931	41,877	65,083	90,494	127,170	130,883	146,220	159,928	226,582

Notes--For countries comprising largest share of "All other" imports in 1998, see table LWR-I-1. Because of rounding, figures may not add to the totals shown. Import figures for 1983 and 1984 may be overstated because of nonsubject imports in TSUSA statistical reporting number 610.4975

Source: Compiled from official Commerce statistics (TSUSA statistical reporting number 610.4975 for 1983 through April 1, 1984; TSUSA statistical reporting number 610.4928 from April 1, 1984, through 1988; and HTS statistical reporting number 7306.60.5000 from 1989 through 1999).

Figure D-3. Light-Walled Rectangular Carbon Steel Pipes and Tubes: Imports from Certain Countries, 1983-99

Source: Official statistics of the U.S. Department of Commerce
 1983-1988, TSUSA specific numbers; 1989-1999, HTS specific statistical reporting numbers

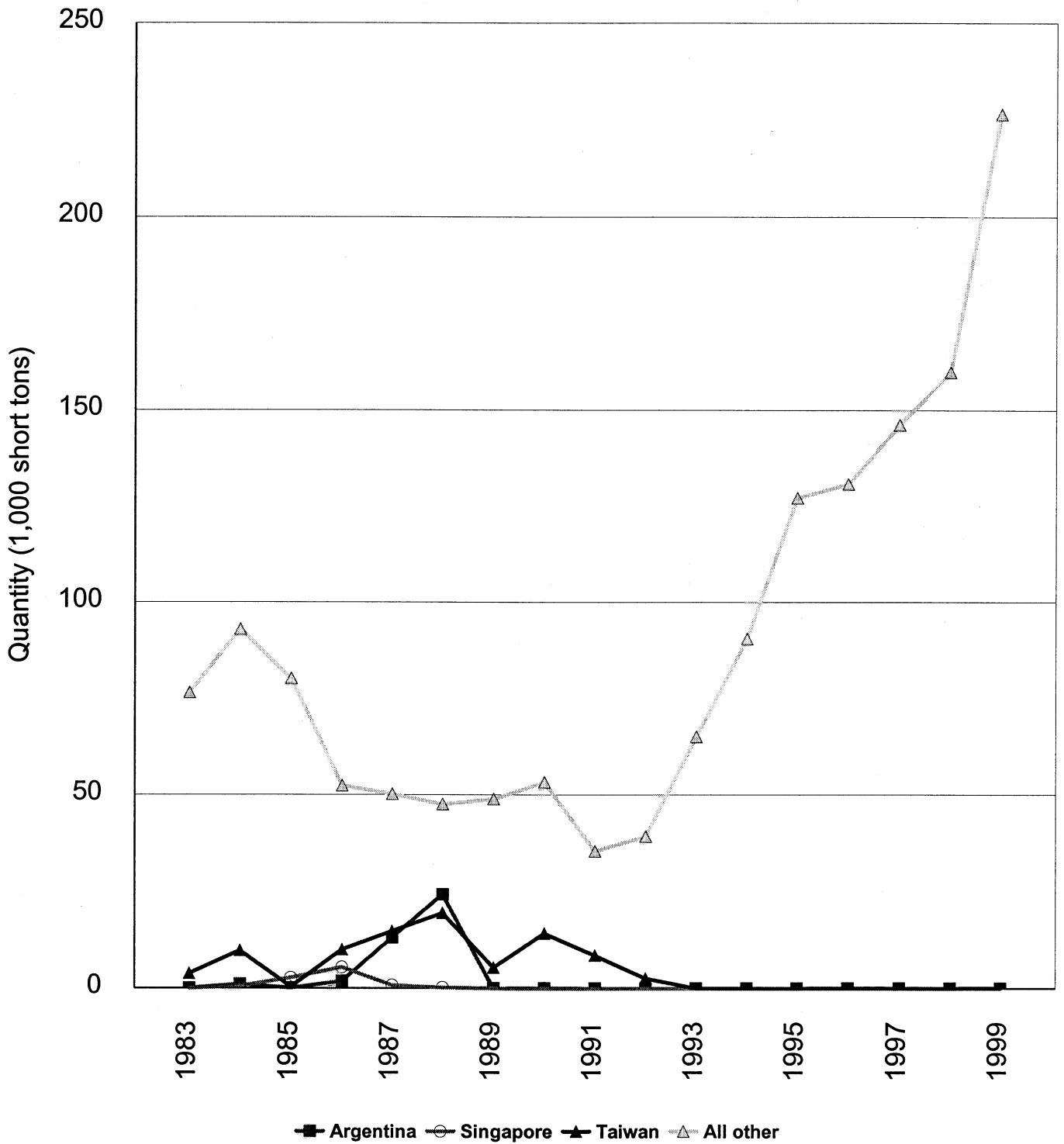


Table D-4
Oil country tubular goods other than drill pipe: U.S. imports, for certain countries, 1983-99

COUNTRY	1983	1984	1985	1986	1987	1988
	Quantity (short tons)					
Canada	24,153	92,470	86,400	9,621	22,731	46,052
Taiwan	287	2,418	815	(¹)	0	19
Subtotal	24,440	94,888	87,214	9,622	22,731	46,071
All other	533,900	1,706,391	1,004,411	361,257	270,207	539,331
Total	558,340	1,801,279	1,091,626	370,879	292,938	585,402

COUNTRY	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Quantity (short tons)										
Canada	8,228	10,320	5,804	1,024	351	433	387	5,431	6,242	1,585	1,309
Taiwan	2	759	10	5	18	12	1	0	3	5	48
Subtotal	8,231	11,078	5,814	1,028	369	444	388	5,431	6,245	1,590	1,357
All other	418,357	362,072	401,352	98,088	348,711	334,133	175,792	216,216	392,014	333,404	165,504
Total	426,588	373,151	407,166	99,116	349,080	334,578	176,180	221,647	398,258	334,994	166,861

¹ Less than one ton.

Notes--For countries comprising largest share of "All other" imports in 1998, see table OCTG-I-1. Because of rounding, figures may not add to the totals shown.

Source: Compiled from official Commerce statistics (TSUSA statistical reporting numbers 610.3216, 610.3219, 610.3721, 610.3722, 610.3925, 610.3935, 610.4025, 610.4035, 610.4210, 610.4220, 610.4225, 610.4230, 610.4235, 610.4240, 610.4245, 610.4310, 610.4320, 610.4325, 610.4335, 610.4345, 610.4942, 610.4944, 610.5221, and 610.5222 for 1983 through 1988; and HTS statistical reporting numbers 7304.20, 7305.20, and 7306.20, except for HTS statistical reporting numbers 7304.20.7000 and 7304.20.8000, for 1989 through 1991; 7304.20, 7305.20, and 7306.20, except for HTS statistical reporting numbers 7304.20.7000, 7304.20.8030, 7304.20.8045, and 7304.20.8060, for 1992 through 1995; and HTS numbers 7304.29, 7305.20, and 7306.20 for 1996 through 1999).

Figure D-4. Oil Country Tubular Goods Other Than Drill Pipe: Imports from Certain Countries, 1983-99

Source: Official statistics of the U.S. Department of Commerce
1983-1988, TSUSA specific numbers; 1989-1999, HTS specific statistical reporting numbers

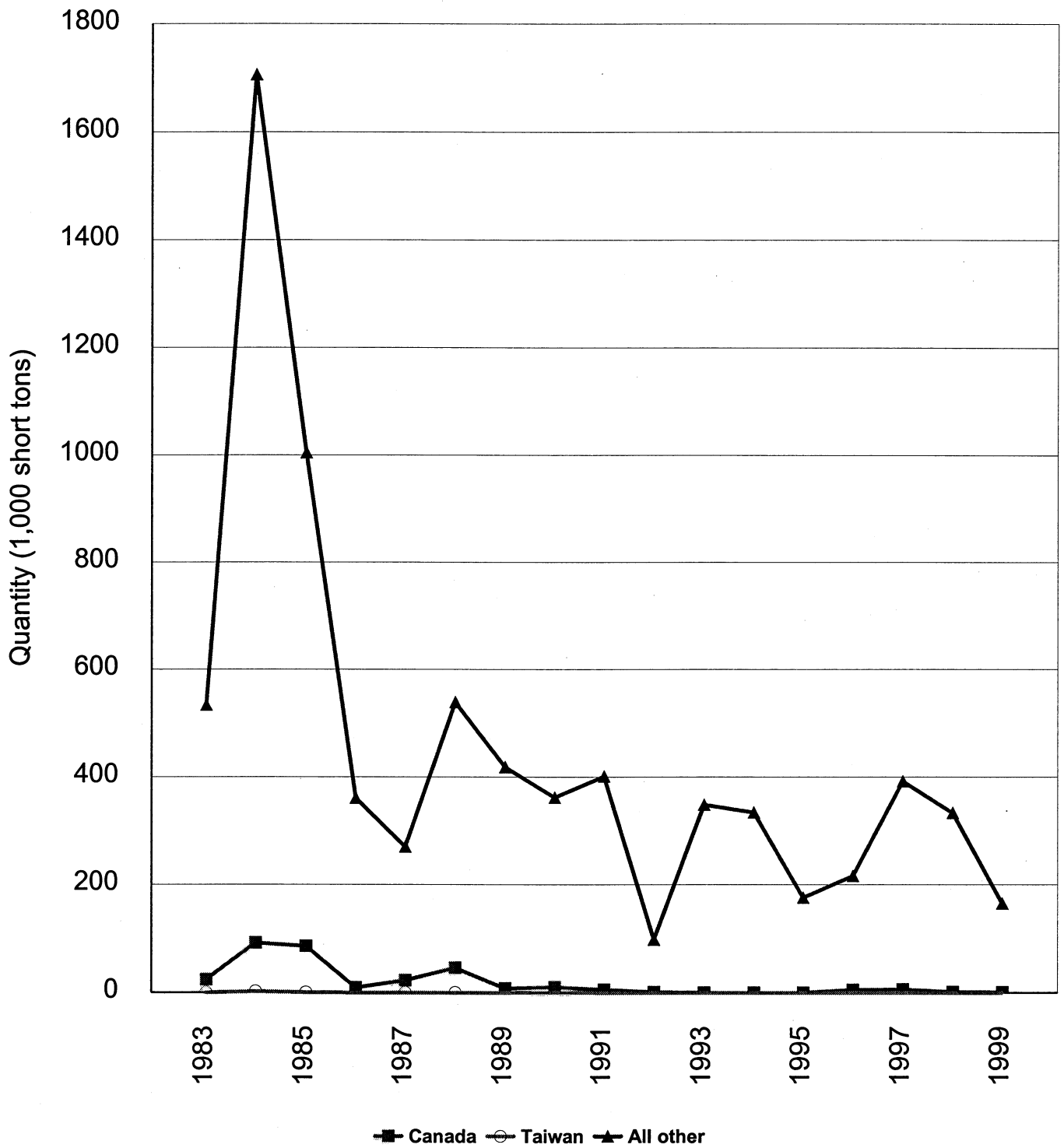


Table D-5
Drill pipe: U.S. imports, for certain countries, 1983-99

COUNTRY	1983	1984	1985	1986	1987	1988
	Quantity (short tons)					
Canada	(¹)	326	318	373	863	1,004
Taiwan	0	0	0	0	0	0
Subtotal	(¹)	326	318	373	863	1,004
All other	6,686	8,463	13,222	7,481	7,672	8,525
Total	6,686	8,790	13,540	7,854	8,535	9,529

COUNTRY	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Quantity (short tons)										
Canada	266	52	32	4	16	111	95	861	1,786	323	100
Taiwan	0	0	0	46	0	0	0	0	0	1	23
Subtotal	266	52	32	50	16	111	95	861	1,786	324	123
All other	2,594	7,820	5,417	1,480	4,205	7,178	4,119	8,952	11,777	7,836	3,184
Total	2,860	7,872	5,449	1,530	4,220	7,288	4,214	9,813	13,563	8,160	3,307

¹ Less than one ton.

Notes--For countries comprising largest share of "All other" imports in 1998, see table OCTG-I-2. Because of rounding, figures may not add to the totals shown.

Source: Compiled from official Commerce statistics (TSUSA statistical reporting numbers 610.4946 and 610.5226 for 1983 through 1988; HTS statistical reporting numbers 7304.20.7000 and 7304.20.8000 for 1989 through 1991; HTS statistical reporting numbers 7304.20.7000, 7304.20.8030, 7304.20.8045, and 7304.20.8060 for 1992 through 1995; and HTS number 7304.21 for 1996 through 1999).

Figure D-5. Drill Pipe: Imports from Certain Countries, 1983-99

Source: Official statistics of the U.S. Department of Commerce
1983-1988, TSUSA specific numbers; 1989-1999, HTS specific statistical reporting numbers

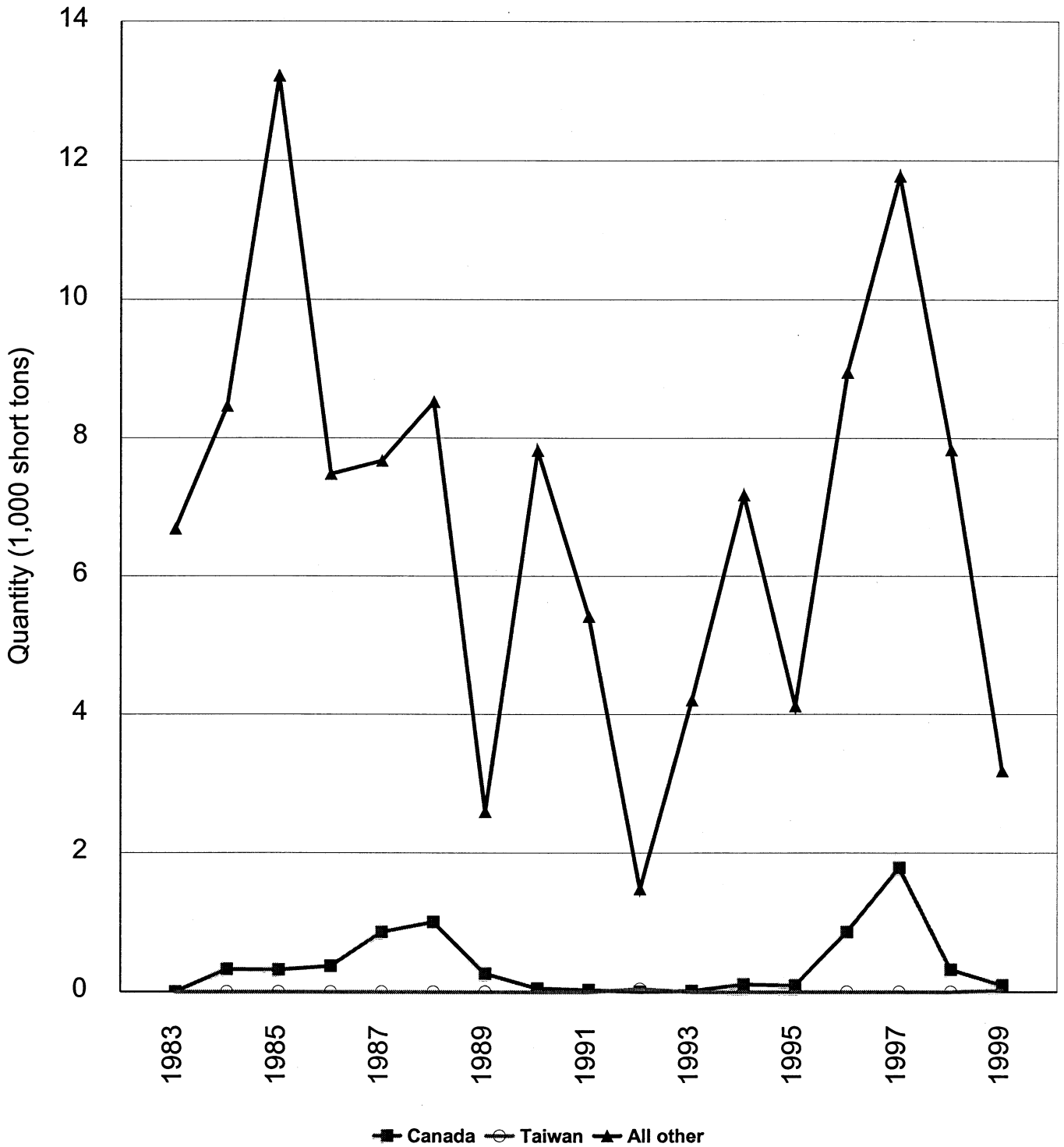


Table D-6
Oil country tubular goods: U.S. imports, for certain countries, 1983-99

COUNTRY	1983	1984	1985	1986	1987	1988
	Quantity (short tons)					
Canada	24,153	92,796	86,717	9,994	23,595	47,057
Taiwan	287	2,418	815	0	0	19
Subtotal	24,441	95,214	87,532	9,994	23,595	47,075
All other	539,579	1,713,812	1,014,262	367,654	276,806	543,838
Total	564,019	1,809,026	1,101,794	377,648	300,401	590,913

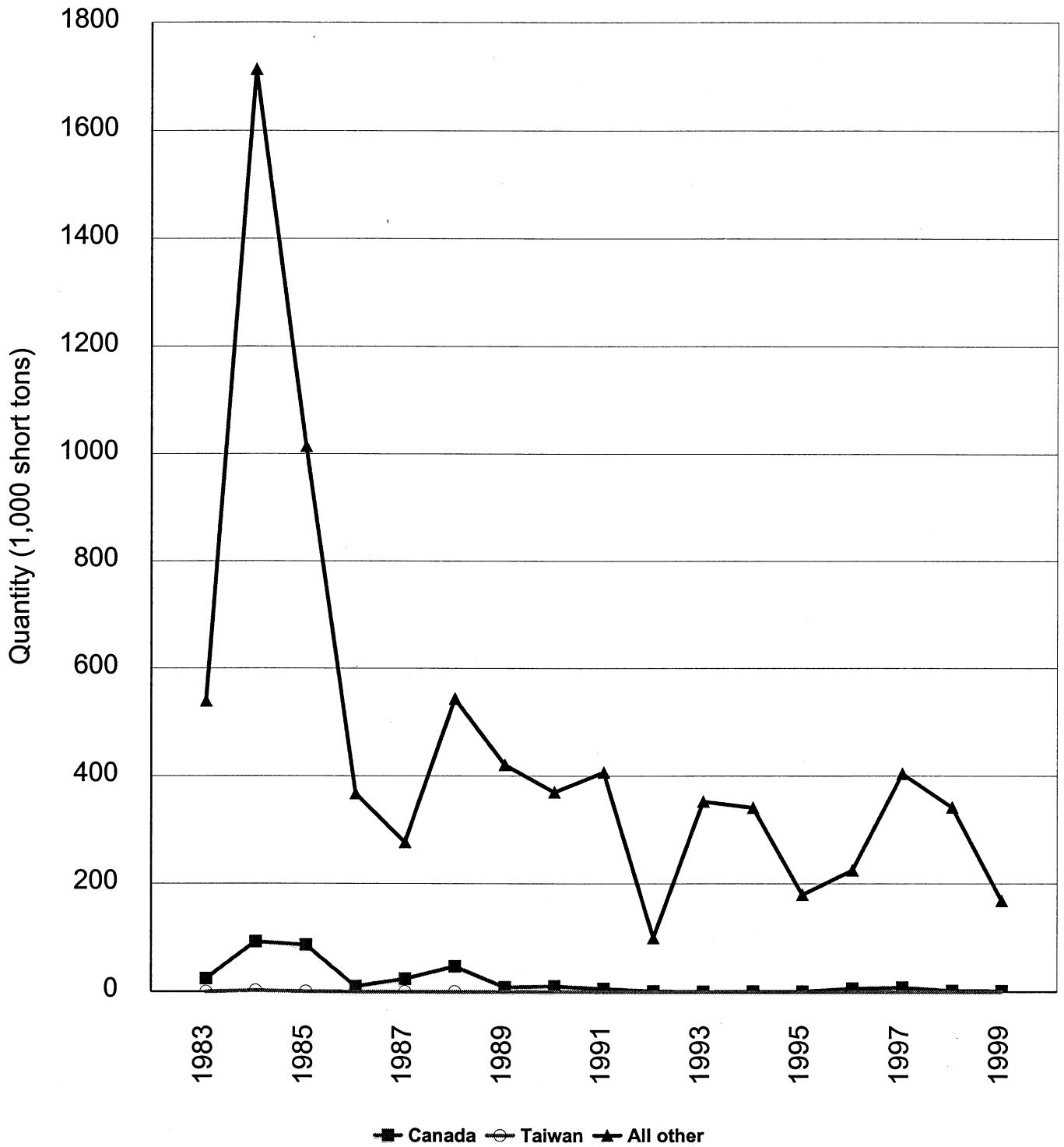
COUNTRY	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Quantity (short tons)										
Canada	8,494	10,371	5,836	1,028	367	543	482	6,291	8,027	1,908	1,409
Taiwan	2	759	10	50	18	12	1	0	3	6	71
Subtotal	8,496	11,130	5,846	1,079	385	555	483	6,291	8,030	1,913	1,480
All other	420,951	369,892	406,769	99,568	352,915	341,311	179,911	225,168	404,121	341,532	168,688
Total	429,448	381,022	412,616	100,646	353,300	341,866	180,395	231,460	412,151	343,445	170,168

Notes--Because of rounding, figures may not add to the totals shown.

Source: Compiled from official Commerce statistics (TSUSA statistical reporting numbers 610.3216, 610.3219, 610.3721, 610.3722, 610.3925, 610.3935, 610.4025, 610.4035, 610.4210, 610.4220, 610.4225, 610.4230, 610.4235, 610.4240, 610.4245, 610.4310, 610.4320, 610.4325, 610.4335, 610.4345, 610.4942, 610.4944, 610.4946, 610.5221, 610.5222, and 610.5226 for 1983 through 1988; HTS statistical reporting numbers 7304.20, 7305.20, and 7306.20 for 1989 through 1995; and HTS numbers 7304.21, 7304.29, 7305.20, and 7306.20 for 1996 through 1999).

Figure D-6. Oil Country Tubular Goods: Imports from Certain Countries, 1983-99

Source: Official statistics of the U.S. Department of Commerce
1983-1988, TSUSA specific numbers; 1989-1999, HTS specific statistical reporting numbers



APPENDIX E

**U.S. PRODUCERS', U.S. IMPORTERS', U.S. PURCHASERS', AND
FOREIGN PRODUCERS' COMMENTS REGARDING
EFFECTS OF THE ORDERS AND THE
LIKELY EFFECTS OF REVOCATION**

U.S. PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Anticipated Operational/Organizational Changes If Orders Were to Be Revoked (Question II-4)

The Commission requested U.S. producers and processors to describe any anticipated changes in the character of their operations or organization relating to the production of certain pipe and tube in the future if the relevant countervailing duty (CVD) and/or antidumping duty (AD) orders on imports of certain pipe and tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and/or Venezuela were revoked. Their responses follow.

***—"Revocation of these orders will certainly cause an import surge that will negatively impact production and profitability. Those two factors would certainly cease our company from further investment in new technology or expansion into other steel businesses."

***—"No."

***—"If the pricing of all imports is not controlled we cannot compete and show reasonable gross profit. Further cutbacks or shifts into other products would be required."

***—"If all duties were removed, we would expect a surge in imports, a loss of sales and corresponding reduction in production. (Reduced profits)."

***—"Further erosion of domestic pipe market due to foreign price competition."

***—"If duties were revoked, we anticipate return to the same conditions and circumstances as existed when duties were established. The systemic problems that necessitated the duties remain unchanged."

***—"At a minimum, operating levels would be reduced; most likely to a 4-day or 3-day work week from the current level of 5-6 days."

***—"Increase flow of foreign product, along with price decreases from the increased supply could affect our price structure and decrease volumes on our mill."

***—"There would be an immediate influx of steel pipe that would result in oversupply and reduced prices."

***—"If all of these orders were revoked, we would table our plans as we would be concerned with renewed dumping."

***—"Firm would give immediate reconsideration to all planning relative to standard pipe. Any attempted expansion in this product line would be cancelled."

***—"Believe these countries would flood our market with product as they did in the past."

***—"Decreased market share."

***—Did not respond.

***—“Our production would be reduced and product prices would also be reduced and as a result of this, our profitability would fall.”

***—“Revocation will lead to potential idling of one or more mill(s) most probably resulting {in} cutbacks on our labor.”

***—“I would anticipate having to shift from domestic material to one of the foreign mills.”

*** and ***—“No.”

***—“Since we process OCTG for domestic mills, any change to their volume would have a direct effect on us.”

***—“It has been our past experience, in terms of OCTG, that the revocation of the duty orders may cause an increased flow of steel into the world’s only open market (the U.S.) impacting both price and quality issues. . . .”

***—“Potential of reduced production if Canada & Taiwan were allowed to ship into the U.S. at lower than market pricing. Revocation would undercut our large investment and reduce profitability.”

***—“Unknown.”

***—“Loss of market share to foreign production and lower market prices.”

*** and ***—“No.”

***—“We would suffer further margin and profit erosion which would lead to our exit from the . . . market.”

***—“If import products at a low price flood the market, it will affect our production and selling price.”

***—“Expect a surge of product into U.S. market.”

***—“The pipe, structural & mechanical (LWR) market cannot bear the importing of major tonnage. Financially, any dumping of these products would be fatal to *** producers.”

***—“Definite increase in shipments of *** from Korea. Increase of LWR from all other countries referenced above.”

***—“Should orders be revoked, previously constrained exporters will seek to regain market share by resumption of dumping. This activity will suppress prices and result in curtailment of domestic production.”

***—“All capital improvement projects related to OCTG would be curtailed, any acquisitions or new production capacity would be halted, a hiring freeze in operations and sales would be implemented.”

***—“As noted above, products produced at ***. In addition, if the orders were revoked, *** may exit the standard pipe business.”

***—“Generally if the duties are revoked and foreign pipe floods the U.S. market, business plans involving capital expenditures will be cancelled because of lost revenue.”

***—“No.”

***—“These countries have injured the U.S. industry in the past. The resumption of dumping would negatively impact our ability to raise capital, employment, revenues etc.”

***—“Suffer diminished volume.”

—“”

Significance of Existing Orders in Terms of Trade and Related Data (Question II-15)

The Commission requested U.S. producers and processors to describe the significance of the existing CVD and/or AD orders on imports of certain pipe and tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and/or Venezuela in terms of the effect on their firms' production capacity, production, U.S. shipments, inventories, purchases, and employment. Their responses follow.

***—“Antidumping orders of 1984 and 1992 were helpful in providing us with some relief to unfair trade practices by imports. This allowed us to *** as a result of our continued investment in new technologies that increased our profit margins. However, the protection was not enough for us to ***.”

***—“None.”

***—“The Dumping Action retards the tendency of importers (specifically Korea) to ‘buy’ market participation and/or sell at prices with which we cannot profitably compete and maintain required volume.”

***—“As our enclosed sales data shows, we have experienced little or no growth in our *** sales during this period without duties, our sales would most certainly have declined significantly.”

***—“Keeps the import penetration from getting larger. Imports already enjoy over 50% of market in U.S. and duties hold some countries at bay.”

***—“Imposition of duties have allowed *** to remain open and also to continue to make capital investments in ***.”

***—“The imposition of these anti-dumping orders have permitted *** to *** to improve quality and reduce costs. These investments would not have been possible if the extremely high level of unfairly trade imported pipe had been permitted to stand.”

***—“The countervailing duty and antidumping orders provide a marketplace that permits the commitment of dollars to upgrade facilities and a stable workforce.”

—“ in 1984 because of dumped imports and was contemplating ***. The relief given by this series of orders on standard pipe allowed us to ***, capacity utilization has increased from *** in 1983–84 to *** today. Domestic shipments have increased accordingly. Product quality has improved. Labor productivity has increased by *** and the company is ISO certified.”

*** and ***—No answer.

***—“Reduced imports from these countries benefitted us with increased volume and profitability.”

***—No answer.

***—Did not respond.

***—“The antidumping duty gives us the opportunity to manufacture and market our tubing at a fair market value. From 1997 through today, we have slowly started to gain back additional business in LWR. ***.”

***—“We successfully maintained our employment. Without existing countervailing dut{ies}, that was not the case.”

***—“Foreign mills tend to use the U.S. market as a buffer against low activity in their countries. This tends to keep U.S. prices artificially low, which translates to low revenue and lower production levels. This is supported by how often foreign mills disappear and reemerge into the U.S. market.”

***—No answer.

***—“None.”

***—“The increased volume of imports would reduce the volume sold by domestic producers, which would directly reduce our finishing sales. Our understanding is that some of the imported pipe is ***.”

—“ until after the imposition of the countervailing/antidumping duty orders regarding OCTG from Canada and Taiwan. However, we can note Canada had a world-class seamless OCTG plant (DST/Algoma) that was flooding the market with steel until duty orders were imposed.”

***—“The existing orders are significant because they keep unfairly traded imports out of the market. This has allowed *** to increase production, capacity, and shipments.”

***—“Unknown.”

***—“The imposed duties have helped BMT to maintain production shipments, capacity and employment, all in the face of eroding margins.”

***—No answer submitted.

***—“It has minimized the erosion of margins.”

***—“Our industries have no choice but to ask for import protection as our raw material costs have increased so much while import restrictions on raw material are taking effect.”

***—“The relief has allowed us to invest in our business. Specifically a ***.”

***—“No effect.”

***—“These duties have helped keep out tubing/pipe products that are sold to our customers at lower prices than our costs. It is apparent these countries (esp. Korea, Taiwan) must import into the U.S. at dumping prices in order to compete.”

—“Our firm believes that if this duty agreement wasn’t enforced, our monthly tonnage would be *** tons less per month and our selling price would be a minimum of \$ less per ton.”

***—“The orders have been a stabilizing force in the market. The absence of unfairly traded product and the resulting market chaos has allowed *** to continue to participate in those markets and make further capital investments. Capacity has increased slightly and production, shipments and employment levels have improved.”

***—“Import restrictions on illegal imports have provided *** a more stable marketplace and, therefore, an environment whereby employment levels stabilize, and earnings can be achieved.”

***—“Had the orders not been in place *** today would not be producing standard pipe and would have lower employment levels, higher cost, and a less diverse product mix. In addition while *** would likely have gone ahead, the investment level would have been substantially less. The combination of these two events will make *** a larger steel purchaser and a bigger employer. In addition, *** will carry higher inventories and have better capacity utilization.”

***—“The duty orders have contributed to the company’s ability to produce and sell more welded product in the U.S. which in turn has caused employment to increase due to additional production. Prior to these orders, imports were causing a downturn in production especially in nonpeak periods for product use.”

***—“We would see no adverse effect from Canadian OCTG sales. However, we are concerned about the impact of Asian producers on the West Coast prices of circular steel pipe if the

countervailing duty and antidumping duties were revoked. Current price levels for standard pipe are materially depressed due to imports even with certain countervailing duty and antidumping duties in place. We would have to assume and expect further price deterioration to occur if the finding was revoked.”

***—“By curbing unfair trade practices, the orders against imports welded pipe {sic} from Turkey, Thailand, India, . . . Brazil, Korea, Mexico, Venezuela, and Taiwan, and imports of . . . {OCTG} from Canada and Taiwan, significantly benefitted the company’s production, shipments, employment and financial performance. In times of depressed demand, the orders prevented unfairly-traded imports from exacerbating the difficulties the company was facing, and in times of improving demand, the orders enabled the company to increase production accordingly.

“The antidumping order against OCTG from Canada was especially beneficial in the regard. ***, before this order was put in place, approximately 150,000 tons of unfairly-traded imports entered this country from Canada. This is an enormous quantity. Since the order went into effect, imports from Canada have been but a small fraction of this figure.”

***—“Operating levels have stabilized rather than significant increases and decreases, employment levels are also more stable.”

_“”

Anticipated Changes in Trade and Related Data If Orders Were Revoked (Question II-16)

The Commission requested U.S. producers and processors to describe any anticipated changes in their production capacity, production, U.S. shipments, inventories, purchases, and employment relating to the production of certain pipe and tube in the future if the CVD and/or AD orders on imports of certain pipe and tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and/or Venezuela were revoked. Their responses follow.

***—“See response to II-4.”

***—“No.”

***—“We would anticipate 6 months after suspension that Foreign producers would switch exports from Line Pipe (where 201 findings may limit tonnage) into Standard Pipe at prices below which we could profitably compete. If other pipe products offered improved profitability, we would shift production into those products. If the pipe mill’s profitability couldn’t compete with profitability of our other steel products ***, then our pipe capacity would be reduced.”

***—“Yes, If all duties are revoked, we would expect a significant reduction in sales due to an anticipated surge in imports. We would reduce production accordingly.”

***—“Definitely would have to downsize including possible shutdown of one facility. Profitability would be impossible with further price deterioration.”

***—"We would anticipate the resumption of dumping of products which would result in the loss of volume, margin and eventual shutdown of our pipe facilities."

***—"Collectively, imports from the named countries amounted to approximately 1 million tons per year prior to the orders. After the imposition of anti-dumping duties, imports fell back to 600,000 tons per year. If imports were permitted to come back to pre-anti-dumping levels, the impact would be that *** would disappear. One has to look no further than the disappearance of many domestic CW producers in the 1960s–1980s to determine what would happen if anti-dumping duties were revoked."

***—"Increased flow of foreign product, along with price decreases from the increased supply could affect our price structure and decrease volumes on our mill."

***—"It would be likely that our steel purchases would be reduced equal to the amount of pipe business that would be lost to dumped imports."

***—"Expect much more difficulty in selling product as these countries will return to dumping practices. These countries do not allow our products into their countries. Mills were built to export so will 'grab' market share."

***—"Given that foreign excess capacity and willingness to dump remain high, the company would expect a surge in imports if orders were sunset, resulting in lower production, layoffs, lower shipments, and significantly reduced profits which would prevent further capital investments."

***—"We would look for a surge of imported tubing which would reduce our volume and profitability."

***—"Decreased market share—decreased production, decreased employment."

***—Did not respond.

***—"We would not have seen an increase in production or sales. Our ***. We certainly would reduce employment, and run very little product if offshore imports were able to sell below our costs in our market."

***—"Retirement of one or more mills, thus less employment."

***—"Most of the business capacity has already been lost to other foreign mills not being controlled. Relieving the listed countries would worsen the situation. In 1997 this portion of my business was ***. During the last 6 months, it represents *** due to pressure from foreign mills."

*** and ***—"No."

***—"Our domestic customers' volume would be reduced thereby reducing our processing volume."

***—"Please refer to . . . question II-4, for response."

***—"If the dumping orders were revoked, we expect that Canada and Taiwan would again begin sending large quantities of OCTG to the U.S. market at below-market prices."

***—"Unknown."

***—"Yes."

***—No answered submitted.

***—"Redundant to other questions and answers."

***—"If imports flood the market at a low price, it will affect our production and selling price."

***—"Import surges affect our volume, profitability and employment."

***—"No."

***—"Our business would continue and we would compete. Our margins & profitability would be severely compromised. Production, use of raw material, and employment, would all decrease."

***—"Approximately *** tons less per month."

***—"Should the findings be revoked and the (expected) dumping resume, *** would be forced into lowering its prices to retain its markets or cut back on its production. Reduced potential for returns will curtail further capital investments."

***—"If import tonnages return to near previously experienced volumes, *** financial position, which is currently mediocre, will deteriorate quickly (est. at two or three calendar quarters). Employment levels will fall; capital expenditures will be frozen."

—" would have very little emphasis on OCTG and Standard Pipe if the orders were revoked. This would lead to higher costs on other products due to low utilization rates, lower employment, lower likelihood of future investments ***, and less probability for success with respect to ***. In addition, *** would likely exit the standard pipe business sometime in 2000 or 2001."

***—"Obviously, referencing II-15, the revocation of the duties would cause changes due to lost business to foreign manufacturers. Company is presently losing money but beginning to rebound. If duties were eliminated however the trend would be reversed."

—", we experienced intense competition and pressure on prices from Asian imports on standard pipe. Average product pricing in 1999 as a result was 15.6% lower than forecast ***."

If the order were revoked, our operation in *** would in all likelihood face increased and unrestrained competition from Asian countries covered under the current order.

“Were this to occur we do not believe we would be able to *** to remain in operation.”

***—“We would anticipate serious negative effects on production and U.S. shipments if the orders were to be revoked and dumping resumed. The DST (Dalmine-Italy, Siderca-Argentina, Tamsa-Mexico) consortium already claims a share of over 25% of the global OCTG market and is noted for cartel activity In December 1999, Siderca entered into an agreement to operate Algoma of Canada’s seamless facility

“In addition to a link up with Japan’s NKK, DST recently acquired control of Tubos de Acero de Venezuela (TAVSA) and has restarted the seamless tube mill

“In 1995, Siderca-Tamsa and Dalmine were all found to have been engaged in injurious dumping in the United States.”

***—“No.”

__“”

Significance of Existing Orders in Terms of Financial Data (Question III-11)

The Commission requested U.S. producers and processors to describe the significance of the existing CVD and/or AD orders on imports of certain pipe and tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and/or Venezuela in terms of the effect on their firms’ revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values. Their responses follow.

***—“See question II-15.”

***—“None.”

***—“Import prices are not profit/loss motivated as in a corporation but rather justified by a country’s economic overview. Existing orders prevent import{s} from buying market share at prices that we cannot compete with and make reasonable profit.”

***—“These orders have allowed us to increase participation in the market at acceptable profit levels.”

***—“The significance is difficult to evaluate due to imports from nonsubject countries.”

***—“Same as II-15. As a result of duty orders, the company’s operations have changed from *** to ***.”

***—“See Point II-15 and Point II-16.”

***—“The existing duties stop dumping which in turn increase revenue, cash flow, investment etc.”

***—"The existing countervailing duties and dumping orders allowed for our ***."

***—"Protect our U.S. market from all out assault."

***—"See Answer to II-15."

***—"Revenues and profits have increased compared to the period prior to the imposition of the orders."

***—"Better market share with antidumping duties."

***—Did not respond.

***—"The antidumping duty gives us the opportunity to manufacture and market our tubing at a fair market value. From 1997 through today, we have slowly started to gain back additional business in LWR. ***."

***—"We could maintain employment in highly competitive market{s} without presence of imports from subject countries."

***—"Our business has drastically changed in the last 3-4 years from ***. Although no conclusions can be made from past performance the duties do help maintain pricing."

***—No answer.

***—"None."

***—"Simply, if our customers' volume{s} are decreased, due to imports, our revenue, profit, jobs, etc. will be reduced as well."

—""

***—"By keeping unfairly traded imports out of the U.S. market, the current orders have improved *** revenues and profits, and allowed us to make needed capital and R&D expenditures."

***—"Unknown."

***—"Despite the duty rulings, margins have been eroding having negative impacts on our business. If duties had not been implemented, our situation would be worse."

***—No answered submitted.

***—"Redundant, see other response."

***—"If countervailing duty and/or antidumping duty orders for above countries {sic}, the market price of tubing is at quite a low level and it may affect our operations."

***—"The duty adds to the imported cost of pipe which tends to raise our selling prices."

***—"N/A."

***—"As a manufacturer located in ***, there are costs to do {ing} business. These costs are never reflected in the dumping prices from the above mentioned countries. Our pricing policies are always dictated by the availability of foreign-produced pipe and tube in our market place."

—"We would have lost *** tons per month, selling volume would have dropped \$ per ton. This would have caused a profit shortage of \$***."

***—"The findings have prevented a complete free fall in prices and profits. Although prices remain under pressure from other import sources, the findings have enabled *** to remain in the market."

***—"Countervailing duties and antidumping duties have had a significantly positive impact on *** profits, cash flow, and capital investments. Our company was *** in 1996 and 1997. Obviously in 1998, with the serious downturn in drilling activity, ***. Capital investments were approximately: ***."

***—No answer.

***—"Capital expenditures have been put on hold due to a down market; however *** were added in early 1999. The countervailing duties assisted in allowing Company to make these investments."

***—"See response to question II-15."

***—"If orders on OCTG from Canada and Taiwan had not been imposed the *** may not have taken place."

***—"Prices for OCTG are more stable and increases and/or decreases in price due to demand are more disciplined."

—" is seeking approval for a capital project which would allow it to produce ***. This project would also improve the overall quality of products produced on this mill."

Anticipated Changes in Financial Data If Orders Were Revoked (Question III-12)

The Commission requested U.S. producers and processors to describe any anticipated changes in their revenues, costs, products, cash flow, capital expenditures, research and development expenditures, or asset value relating to the production of certain pipe and tube in the future if the CVD and/or AD orders on imports of certain pipe and tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and/or Venezuela were revoked. Their responses follow.

***—"See question II-4."

***—"No."

***—"Current capital expenditures would be completed but future expenditures would be minimized based on ROI."

***—"We would expect a surge of imports, we would anticipate reduced sales pricing, decreased sales, reduction in corresponding production, increased costs, decreased profits."

***—"Negative impact on revenues, profits, cash flow, {and} capital expenditures."

***—"We would anticipate the resumption of dumping of products, which would result in the loss of volume, margin and eventual shutdown of our pipe facilities."

***—"See Point II-15 and Point II-16."

***—"Revenue, investment, cash flow would all suffer due to unrealistic pricing from dumped product."

***—"Profits, capital expenditures and R&D would be reduced."

***—"Result in unfair trade from some of these countries, so less opportunity for ***."

***—"See Answer to II-16."

***—"If their import prices were to return to the levels of the past, we would suffer on revenue and decreased profits."

***—"Smaller market share—lower profits."

***—Did not respond.

***—"We would not have seen an increase in production or sales. Our ***. We certainly would reduce employment, and run very little product if offshore imports were able to sell below our costs in our market."

***—"Employment will be adversely affected."

***—"We would have to shift our product line away from items being imported below cost towards items we still have decent profit in. Exactly what those products would be is extremely difficult to forecast."

***—No answer.

***—"No."

***—"We feel our customers' sales volume would diminish and would filter down to us."

***—"Please refer to question II-4. Countries with excess OCTG production would have the ability to export the material to the U.S. affecting: (1) pricing (costs, profits, revenue, cash flow); (2) inventory values (assets); and (3) demand (again—costs, profits, etc.)."

***—"We would expect Canadian and Taiwanese OCTG to return to the U.S. market at dumped price levels, which would either force *** to reduce prices or to lose sales to dumped product. This would directly reduce our revenues and profits and raise our per-ton costs. Dumped imports would also reduce the value of *** investments in ***."

***—"Unknown."

***—"The share of market would undoubtedly shift toward imports in a very short time."

***—No answer submitted.

***—" {Redundant, see other response.} "

***—"If import products flood the market at a low price, it will affect our production and selling price."

***—"Would expect price erosion which would lower our revenues and profit."

***—"No."

***—"For sure if these suits were revoked and these countries continued to dump finished product into the *** our revenues would drop, costs would increase and products would lower dramatically. Capital expenditures would cease and our business would suffer a tremendous loss."

***—"We would slip back to 1993 profit and volume."

***—"If the findings are revoked, it is anticipated that dumping will resume as exporters seek to regain market share. As a result, revenues and profits will decline and expenditures on capital and research and development will cease."

—" profitability would evaporate with unfair trade practices reignited. Again, mill utilization rates are for less than demand. Additional imports would be devastating for domestic producers. *** employment would be dramatically reduced, capital improvements reduced and the company's health in jeopardy."

***—No answer.

***—"If duties were revoked, Company would lose revenues which in turn would cause the cessation of any capital expenditures."

***—"See answer to question II-16."

***—“We would anticipate serious negative effects for the reasons described in II-16”

***—“No.”

—“”

U.S. IMPORTERS’ COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Anticipated Operational/Organizational Changes If Orders Were to Be Revoked (Question II-4)

The Commission asked importers to describe any anticipated changes in the character of their operations or organization relating to the importation of certain pipe and tube in the future if the relevant CVD and/or AD orders on imports of certain pipe and tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and/or Venezuela were revoked. Their responses follow.

***—“We would then consider acting as importer of record from these origins.”

***—“We would again be able to supply some of our key accounts with needed tubular products from ***.”

—“”

***—“We will decide when it happens.”

***—“We would consider purchasing tube from those sources.”

***—“Unknown, buy our raw material (OCTG) based on price & availability.”

***—“If the orders were revoked, there could be increased supply of OCTG. Increased supply can result in lower market prices.”

***—“No.”

Significance of Existing Orders in Terms of Trade and Related Data (Question II-11)

The Commission asked importers to describe the significance of the existing CVD and/or AD orders on imports of certain pipe and tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and/or Venezuela in terms of their effect on their firms’ imports, U.S. shipments of imports, and inventories. Their responses follow.

***—“The significance of the antidumping duty on pipe from Taiwan is to force us to stop any imports from this source and we have not yet found alternative sources as most foreign, competitive mills are completely committed to their regular importers. There is no comparison in our operation before and after the imposition, as we went down to zero on the affected products.”

—“ imports and sells circular welded pipe produced in *** by ***. *** imports have been subject to *** and we expect that they will continue to be subject to low duties in the future. The Commerce Department assigned *** a preliminary dumping margin of *** if the order is revoked and {this} would not significantly affect *** imports, inventories, etc.”

***—“We do not know of any effect.”

***—“We no longer import pipe & tube from Taiwan because of AD/CVD orders, and we only purchase standard pipe from Korea and Thailand delivered duty paid so as not to be importers of record.”

—“”

***—“No significance at all.”

***—“We have limited our imports of welded OCTG from *** because of uncertainty caused by the dumping order, although our supplier was not involved in the original dumping investigation.”

***—“Currently, we are reducing the importation of steel pipes, which will eventually lead to nonimportation of all pipes in the future.”

***—“Regardless A/D & CVD {sic}, we could not make much profit.”

—“”

***—“Our firm did not act as the importer of record prior to the issuance of the antidumping duty order on subject pipe from ***.”

***—“Antidumping duty on circular welded steel pipe from *** is ***%.”

***—“We cannot make a comparison between before and after the imposition of restrictions as our company started doing business in ***.”

***—“The finding has had no effect on *** imports from ***.”

***—“Tubing price is upon coil price {sic}. According to coil price’s up which affect tubing price {sic}. Antidumping sometimes reduces the competition with local mill and other imported product don’t have antidumping.”

***—“We started importing this product from Taiwan in ***. Before that time, we did not deal in this type of product.”

—“ will not act as importer of record if a countervailing/antidumping order exists on a country or mill from subject countries.”

***—"Restricted imports of green tubes or finished products from the above mentioned countries reduces *** competitive position vis-a-vis the world market outside the U.S. However, it virtually eliminates unfair competition within the U.S. which historically has drilled +/- 60% of the world's wells."

***—"Insignificant."

***—"It costs us about ***% of imported price. It makes it very difficult for importing."

***—"(1) Cost lot of expenses and workforce to prepare for questionnaires and annual reviews. (2) could avoid reckless competition with other countries due to relatively lower dumping duty."

***—"Those duties are not significantly affecting our sales, because our firm's operation depends on the strategy of ***."

***—"The orders have not affected our business since we are not typically an importer."

—" has historically been a supplier of small diameter (1.660" through 3.5") oil well tubing made to API specifications. It did so prior to the 1986 ruling and has continued to do so for the reason it is only available in limited supply from U.S. domestic sources. It is a "niche" product supplied to North American oil and gas exploration companies in both Canada and the U.S.A. The dumping order has not had a significant impact on the company's shipments of OCTG to the USA."

—"None— has only recently begun to import certain pipe."

***—"Antidumping duties can make the imports in some cases unfeasibly too high, which would cause my company to not be competitive in our market place."

***—"Due to the ongoing risk of negatively changing AD/CVD rates as a result of requested annual reviews, the company has totally avoided imports of certain pipe from any of the listed companies since the imposition of the original AD/CVD orders."

—"It affects our company greatly, because it prevents us from doing business from these countries and therefore adversely affects our bottom line a great deal ()."

***—"The orders have reduced supply. The prices have increased slightly and allowed *** to participate in the U.S. market at acceptable margins."

***—"None."

***—"Unknown."

***—"N/A."

***—"No answer."

Anticipated Changes in Trade and Related Data If Orders Were to Be Revoked (Question II-12)

The Commission asked importers to describe any anticipated changes in their imports, U.S. shipments of imports, or inventories of certain pipe and tube in the future if the relevant CVD and/or AD orders on imports of certain pipe and tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and/or Venezuela were revoked. Their responses follow.

***—"We will revert to importing quantities as shown for 1998 in page 7 {approximately three times the annualized quantity imported in 1999}."

***—"No, please refer to the answer to question II-11."

***—"We would then consider importing from these regions and act as importer of record."

***—"No. As noted above, ***."

***—"See II-4."

—"."

***—"If restrictions against Mexico are lifted, we estimate that our volume of imports/sales may increase by about 5%."

***—"If the findings against circular welded carbon steel pipe are revoked, we expect the subject countries to resume dumping. As a result, *** expects to see its sales drop off which will precipitate a cutback in imports and domestic production and likely an inventory buildup."

***—"We will decide when it happens."

—" would consider purchasing green drill pipe tubes from the above sources. Revoking the antidumping duty on pipe imported from Mexico would negatively impact *** because finished drill pipe could then be marketed in the U.S."

***—"We can cut down the price for our clients, but if it happens to all countries, it doesn't mean anything. However, customers will take advantage of the lowered price."

***—"Without dumping duties I can buy the products and be competitive in our market area. Depending on the amount of the antidumping duty for some products, I would not be able to be competitive."

***—"Obviously, the company would try to restart business with a few selected quality producers, which would arrive in limited quantities about six months following the lifting of the AD/CVD orders."

***—"Imports would fall dramatically, domestic mills would immediately raise prices."

***—"Unknown."

***—"If the orders were revoked, there would be increased supply. The results would be lower market prices."

***—"None."

***—"No."

***—No answer.

U.S. PURCHASERS' COMMENTS REGARDING THE LIKELY EFFECTS OF REVOCATION

Effects of Revocation on Future Activities of the Firms and the U.S. Market as a Whole (Question III-11)

The Commission requested U.S. purchasers to comment on the likely effects of revocation of the relevant CVD and/or AD orders on imports of certain pipe and tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and/or Venezuela on (1) the future activities of their firms and (2) the U.S. market as a whole. Their responses follow.

***—"(1) Assuming the countries used above resume their aggressive pricing strategies, our company could purchase more product from these countries. (2) The increased supply of materials would cause a decrease in prices of both domestic and foreign product."

***—"(1) Little effect short term so long as quality OCTG product can be obtained. Activities long term could be subjected to OCTG availability interruptions & product quality problems. (2) Same as above."

***—"(1) None. (2) Don't know."

***—"(1) We will continue to buy where the product is available at a fair market price. (2) I do not believe there will be a dramatic increase in imports. There are too many trade cases pending at this time."

***—"(1) We are predominantly a domestic distributor. Revocation of duty on foreign pipe will significantly undermine domestic prices and will lower profitability in typical import markets. (2) Will probably lower percentage of domestic pipe sold in U.S."

—""

***—"(1) No impact. (2) Unknown."

***—"(1) Price is not the sole determinant of pipe that will be purchased in the future. *** will continue to receive all of our import pipe requirements because of quality, reliability, follow-up. (2) Without the countervailing duty, the U.S. market will be a prime target for some countries to "dump" their steel pipe products."

***—“(1) Would probably buy and sell more *** pipe (OCTG). (2) Would force U.S. mills to stay highly competitive.”

***—“(1) We hope to see pricing go down & supplies to stay good. (2) ?”

***—“(1) Unknown. (2) Unknown.”

***—“(1) We would seek out the most competitive source so as to be able to meet our competition. (2) We believe prices would drop rapidly and domestic mills would or could not meet unfair competition.”

***—“(1) We might be forced to buy import pipe to stay competitive, substitute more expensive higher grade line pipe or exit the market for certain pipe and tube. (2) It will likely cause lower pricing which would make the Domestic Mills less competitive. This act could result in the closure of some Domestic Mills.”

***—“(1) No changes are anticipated. There are enough countries capable of providing pipe and tube that the revocation will have little effect. The distribution of country of origin may change however. (2) Unknown.”

***—“(1) Raw material costs may go up causing postponement of certain projects. (2) Prices may increase in the United States because import prices will go up.”

***—“(1) We can only respond to this question as it concerns our imports of *** products. We do not see this situation as changing, not in the next several years at least. (2) The answer immediately above addresses this issue with respect to Canada. We do not have the information necessary to answer this question with respect to the other countries listed.”

***—“(1) As always, we buy 95–97 percent domestic. As more imports arrive and at a cheaper price the whole market gets put in turmoil. If price difference gets too great, we will have no choice but to buy more imports. (2) We are finally starting to get the market price up. If we allow more imports to arrive it would become very harmful to the U.S. market.”

***—“(1) None. (2) N/A.”

***—“(1) No activities change for our firm. Domestic producers could lose market share to low priced imports provided that their other markets are weak. (2) Prices will drop dramatically as low priced imports flood the market.”

***—“(1) The availability of *** and larger diameter seamless casing products could alter *** current purchasing patterns due to limited domestic sources. (2) Based on current domestic demand, a likely scenario would be oversupply and artificial price reduction due to inventory growth. Conversely, should drilling activity increase, additional tons would bolster the supply-side of the business.”

***—“(1) Not much change. Imports already significantly lower than domestic. May shift some tonnage offshore but not much. (2) Same basic scenario.”

***—“(1) I see no change to the current activity of our firm in regard to the revocation of the countervailing duty. (2) I am not in a position to answer this part of this question.”

***—“(1) None. (2) Unknown.”

***—“(1) Could result in lost revenues, profits, and potential job losses. (2) Results in oversupply and injury to U.S. Producers.”

***—“(1) & (2) A revocation of the countervailing duty order/antidumping order will have little effect as the hot rolled coil shortage is forcing prices, both here in the U.S. and globally, higher. In the future, once coil inventories bounce back, we feel prices should stabilize and might drop slightly.”

***—“(1) If non-domestic sources are discontinued, availability of material will be impaired. The entire supply chain will be forced to inventory significantly more. (2) No answer.”

***—“(1) In the near future there is not much that would change except our supplier base would increase. (2) Depends on supply and demand, but would likely increase competition.”

***—“(1) We would increase. (2) It would expand with less inflation.”

***—“(1) & (2) I will continue to source products all over the world because I am in the pipe business and because so many domestic sources are closed to me. They have their own ‘buddy’ bull s**t distribution system.”

***—“(1) Dual/triple stenciled purchase opportunities would likely be pursued in Korea & Mexico. (2) Domestic supply is fairly tight currently. I would expect significant tonnage to be placed with any country whose duty would be suspended.”

***—“(1) The OCTG market will be oversupplied again, reducing the financial stability of *** and others. Employment and further investment in the business will be reduced. (2) Oversupply of the OCTG market will happen immediately and there will be no resultant increase in demand. There will be dramatic reductions in employment at U.S. producers coupled with falling prices.”

***—“(1) No change. (2) There were mostly inefficient mills in the U.S. in {19}84. Now they are among the most efficient. With their freight advantages they will remain in control of the market.”

***—No answer.

FOREIGN PRODUCERS’ COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Anticipated Operational/Organizational Changes If Orders Were to Be Revoked (Question II-3)

The Commission asked foreign producers/exporters to describe any anticipated changes in the character of their operations or organization relating to the production of certain pipe and tube in the

future if the relevant CVD and/or AD orders on imports of certain pipe and tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and/or Venezuela were revoked. Their responses follow.

Canada

Algoma Steel—“***.”

Atlas Tube—“***.”

IPSCO—“***.”

Prudential Steel—“***.”

Stelpipe—“***.”

India

Tata—“***.”

Korea

Dongbu Steel—“***.”

Hyundai Pipe—“***.”

Korea Iron & Steel—“***.”

Korea Steel Pipe—“***.”

SeAH Steel—“***.”

Shinho Steel—“***.”

Union Steel—“***.”

Mexico

Hylsa—“***.”

Tuberia Nacional (TUNA)—“***.”

Turkey

Borusan Birlesik Boru Fabrikalari—“***.”

Venezuela

C.A. Conduven—“***.”

Significance of Existing Orders in Terms of Trade and Related Data (Question II-15)

The Commission asked foreign producers/exporters to describe the significance of the existing CVD and/or AD orders on imports of certain pipe and tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and/or Venezuela in terms of the effects on the firms’ production capacity, production, home market shipments, exports to the United States and other markets, and inventories. Their responses follow.

Canada

Algoma Steel—“***.”

Atlas Tube—“***.”

IPSCO—“***.”

Prudential Steel—“***.”

Stelpipe—“***.”

India

Tata—“***.”

Korea

Dongbu Steel—“***.”

Hyundai Pipe—“***.”

Korea Iron & Steel—“***.”

Korea Steel Pipe—***.

SeAH Steel—“***.”

Shinho Steel—“***.”

Union Steel—“***.”

Mexico

Hylsa—“***.”

Tuberia Nacional (TUNA)—“***.”

Turkey

Borusan Birlesik Boru Fabrikalari—“***.”

Venezuela

C.A. Conduven—“***.”

Anticipated Changes in Trade and Related Data If Orders Were to Be Revoked (Question II-16)

The Commission asked foreign producers to describe any anticipated changes in their production capacity, production, home market shipments, exports to the United States and other markets, and inventories relating to the production of certain pipe and tube in the future if the relevant CVD and/or AD orders on imports of certain pipe and tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and/or Venezuela were revoked. Their responses follow.

Canada

Algoma Steel—“***.”

Atlas Tube—“***.”

IPSCO—“***.”

Prudential Steel—“***.”

Stelpipe—“***.”

India

Tata—“***.”

Korea

Korea Iron & Steel—“***.”

Dongbu Steel—“***.”

Hyundai Pipe—“***.”

Korea Steel Pipe—“***.”

SeAH Steel—“***.”

Shinho Steel—“***.”

Union Steel—“***.”

Mexico

Hylsa—“***.”

Tuberia Nacional (TUNA)—“***.”

Turkey

Borusan Birlesik Boru Fabrikalari—“***.”

Venezuela

C.A. Conduven—“***.”

APPENDIX F

**DETAILED INFORMATION RELATING TO THE
BACKGROUND OF THE REVIEWS**

Certain Circular Welded Carbon Steel Pipe and Tube from Turkey, Inv. No. 701-TA-253 (Review)

Effective date	Action	Federal Register citation
March 7, 1986	Commerce's publication of CVD order	51 FR 7984
March 25, 1988	Commerce's final results of administrative review — 1985–86 (1.43–12.67 percent)	53 FR 9791
August 18, 1997	Commerce's final results of administrative review — 1995 (3.97 percent—Erbosan only)	62 FR 43984
April 16, 1998	Commerce's final results of administrative review — 1996 (3.10–3.73 percent)	63 FR 18885
August 16, 1999	Commerce's final results of administrative review — 1997 (0.84 percent—Yucel Boru only)	64 FR 44496

Certain Circular Welded Carbon Steel Pipe and Tube from Brazil, Inv. No. 731-TA-532 (Review)

Effective date	Action	Federal Register citation
November 2, 1992	Commerce's publication of AD order	57 FR 49453

Certain Circular Welded Carbon Steel Pipe and Tube from Korea, Inv. No. 731-TA-533 (Review)

Effective date	Action	Federal Register citation
November 2, 1992	Commerce's publication of AD order	57 FR 49453
October 27, 1997	Commerce's final results of administrative review — 1992–93	62 FR 55574
January 14, 1998	Commerce's final results of administrative review — 1992–93 (amended) (1.52–5.31 percent)	63 FR 2200
April 27, 1998	Commerce's final results of AD changed circumstances review	63 FR 20572
June 16, 1998	Commerce's final results of administrative review — 1995–96 (0.71–4.01 percent)	63 FR 32833

Certain Circular Welded Carbon Steel Pipe and Tube from Mexico, Inv. No. 731-TA-534 (Review)

Effective date	Action	Federal Register citation
November 2, 1992	Commerce's publication of AD order	57 FR 49453
July 10, 1997	Commerce's final results of administrative review — 1994–95 (1.77–2.99 percent)	62 FR 37014
June 17, 1998	Commerce's final results of administrative review — 1995–96	63 FR 33041
July 16, 1998	Commerce's final results of administrative review — 1995–96 (amended) (7.39 percent—Hylsa only)	63 FR 38370
February 8, 2000	Commerce's final results of administrative review — 1992–93 and 1993–94 (32.62 percent—Hylsa only; 7.17 percent—Hylsa only)	65 FR 6136

Certain Circular Welded Carbon Steel Pipe and Tube from Taiwan, Inv. No. 731-TA-536 (Review)

Effective date	Action	Federal Register citation
November 2, 1992	Commerce's publication of AD order	57 FR 49454

Certain Circular Welded Carbon Steel Pipe and Tube from Venezuela, Inv. No. 731-TA-537 (Review)

Effective date	Action	Federal Register citation
November 2, 1992	Commerce's publication of AD order	57 FR 49453

**Small Diameter Circular Welded Carbon Steel Pipe and Tube from Taiwan, Inv. No. 731-TA-132
(Review)**

Effective date	Action	<i>Federal Register</i> citation
May 7, 1984	Commerce's publication of AD order	49 FR 19369
December 5, 1986	Commerce's final results of administrative review — 1983–84	51 FR 43946
October 20, 1988	Commerce's final results of administrative review — 1985–86 (0.09–0.2 percent)	53 FR 41218
December 20, 1988	Commerce's final results of administrative review — 1983–84 (amended) (12.30–43.70 percent)	53 FR 51128
November 3, 1989	Commerce's final results of administrative review — 1986–87 (0–0.66 percent)	54 FR 46432
March 1, 1991	Commerce's final results of administrative review — 1987–88 (0–0.66 percent)	56 FR 8741
October 10, 1997	Commerce's final results of administrative review — 1995–96 (0.37 percent—Yieh Hsing only)	62 FR 52971
December 13, 1999	Commerce's final results of administrative review — 1997–98	64 FR 69488
February 3, 2000	Commerce's final results of administrative review — 1997–98 (amended)	65 FR 5310

Certain Circular Welded Carbon Steel Pipe and Tube from Thailand, Inv. No. 731-TA-252 (Review)

Effective date	Action	Federal Register citation
March 11, 1986	Commerce's publication of AD order	51 FR 8341
November 19, 1991	Commerce's final results of administrative review — 1987–88	56 FR 58355
August 26, 1992	Commerce's final results of administrative review — 1988–89	57 FR 38668
October 21, 1992	Commerce's final results of administrative review — 1988–89 (amended)	57 FR 48017
December 21, 1994	Commerce's final results of administrative review — 1987–88 (amended) (0.49–38.51 percent)	59 FR 65753
January 19, 1996	Commerce's final results of administrative review — 1992–93	61 FR 1328
April 25, 1996	Commerce's final results of administrative review — 1992–93 (amended) (17.28 percent—Saha Thai only)	61 FR 18375
June 11, 1996	Commerce's final results of administrative review — 1988–89 (amended) (0.46 percent—Saha Thai only)	61 FR 29533
November 1, 1996	Commerce's final results of administrative review — 1994–95	61 FR 56515
January 15, 1997	Commerce's final results of administrative review — 1994–95 (amended)	62 FR 2131
February 25, 1997	Commerce's final results of administrative review — 1994–95 (amended) (7.27 percent—Saha Thai only)	62 FR 8423
October 16, 1997	Commerce's final results of administrative review — 1995–96 (29.89–37.55 percent)	62 FR 53808
October 16, 1998	Commerce's final results of administrative review — 1996–97	63 FR 55578
November 25, 1998	Commerce's final results of administrative review — 1996–97 (amended) (1.92 percent—Saha Thai only)	63 FR 65172
October 21, 1999	Commerce's final results of administrative review — 1997–98 (9.65 percent—Saha Thai only)	64 FR 56759

Certain Circular Welded Carbon Steel Pipe and Tube from Turkey, Inv. No. 731-TA-273 (Review)

Effective date	Action	Federal Register citation
May 15, 1986	Commerce's publication of AD order	51 FR 17784
October 11, 1988	Commerce's final results of administrative review — 1986–87 (0.03–28.28 percent)	53 FR 39632
October 18, 1990	Commerce's final results of administrative review — 1987–88	55 FR 42230
May 24, 1991	Commerce's final results of administrative review — 1988–89 (0.11 percent—Borusan only)	56 FR 23864
November 16, 1992	Commerce's final results of administrative review — 1987–88 (amended) (2.56 percent—Borusan only)	57 FR 54046
December 31, 1996	Commerce's final results of administrative review — 1994–95	61 FR 69067
April 7, 1997	Commerce's final results of administrative review — 1994–95 (amended)	62 FR 16547
May 16, 1997	Commerce's final results of administrative review — 1994–95 (amended) (2.57–7.54 percent)	62 FR 27013
October 2, 1997	Commerce's final results of administrative review — 1993–94	62 FR 51629
November 25, 1997	Commerce's final results of administrative review — 1993–94 (amended) (0–3.97 percent)	62 FR 62758
June 29, 1998	Commerce's final results of administrative review — 1996–97 (0.02 percent—Borusan only)	63 FR 35190

Certain Circular Welded Carbon Steel Pipe and Tube from India, Inv. No. 731-TA-271 (Review)

Effective date	Action	<i>Federal Register</i> citation
May 12, 1986	Commerce's publication of AD order	51 FR 17384
December 12, 1991	Commerce's final results of administrative review — 1987–88 and 1988–89 (77.32 percent; 87.39 percent—Tata only)	56 FR 64753
November 18, 1992	Commerce's final results of administrative review — 1990–91 (37.65 percent—Tata only)	57 FR 54360
September 10, 1997	Commerce's final results of administrative review — 1995–96	62 FR 47632
November 26, 1997	Commerce's final results of administrative review — 1995–96 (amended) (0–18.25 percent)	62 FR 63070
June 16, 1998	Commerce's final results of administrative review — 1996–97	63 FR 32825
July 22, 1998	Commerce's final results of administrative review — 1996–97 (amended)	63 FR 39269
December 1, 1998	Commerce's final results of administrative review — 1996–97 (amended) (0–14.05 percent)	63 FR 66120
May 4, 1999	Commerce's final results of administrative review — 1997–98 (87.39 percent—Rajinder Pipes only)	64 FR 23821

**Light-Walled Rectangular Carbon Steel Pipes and Tubes (LWR) from Singapore,
Inv. No. 731-TA-296 (Review)**

Effective date	Action	<i>Federal Register</i> citation
November 13, 1986	Commerce's publication of AD order	51 FR 41142

LWR from Argentina, Inv. No. 731-TA-409 (Review)

Effective date	Action	<i>Federal Register</i> citation
May 26, 1989	Commerce's publication of AD order	54 FR 22794

LWR from Taiwan, Inv. No. 731-TA-410 (Review)

Effective date	Action	<i>Federal Register</i> citation
March 27, 1989	Commerce's publication of AD order	54 FR 12467
June 7, 1991	Commerce's final results of administrative review — 1988–90 (0.1975 percent—Ornatube only)	56 FR 26383
June 9, 1992	Commerce's final results of administrative review — 1990–91 (18.05 percent—Ornatube only)	57 FR 24466

Oil Country Tubular Goods (OCTG) from Canada, Inv. No. 731-TA-276 (Review)

Effective date	Action	<i>Federal Register</i> citation
June 16, 1986	Commerce's publication of AD order	51 FR 21782
December 10, 1990	Commerce's final results of administrative review — 1986–87 and 1987–88 (1.86 percent—Christianson only; 3.24 percent—Christianson only)	55 FR 50743
August 13, 1991	Commerce's final results of administrative review — 1988–89 and 1989–90 (11.06 percent—Christianson only; 9.48–15.81 percent)	56 FR 38408
July 5, 1994	Commerce's final results of administrative review — 1992–93 (0 percent—IPSCO only)	59 FR 34409
July 12, 1995	Commerce's final results of administrative review — 1993–94 (0 percent—IPSCO only)	60 FR 35898
September 23, 1996	Commerce's final results of administrative review — 1994–95 (0 percent—IPSCO only, revoked for IPSCO only)	61 FR 49733

OCTG from Taiwan, Inv. No. 731-TA-277 (Review)

Effective date	Action	<i>Federal Register</i> citation
June 18, 1986	Commerce's publication of AD order	51 FR 22098

APPENDIX G

**PRODUCTION AND CAPACITY INFORMATION FOR
SUBJECT FOREIGN INDUSTRIES**

Table G-1
Welded carbon steel pipes and tubes: Capacity figures for Argentine producers of sizes up to 6"

Company	Location	No. of mills	Published capacity	Reported capacity		Size range
				1997	1998	
			Quantity (short tons)			
Acindar SA	Villa Constitucion	2	99,000 (MB) 93,000 (P)	(¹)	(¹)	2.375"-6.625"
	Idem	1 CW	89,000 (P)	(¹)	(¹)	0.375"-4.5"
	Unidas y Junin	(²)	28,000 (P)	(¹)	(¹)	0.625"-2"
	Total	(²)	210,000 (P)	(¹)	(¹)	0.375"-6.625"
Armco Argentina S.A.I.C.	Buenos Aires	(²)	9,000 (P)	(¹)	(¹)	0.77"-2.5"
Ayan Hrnos.	Buenos Aires	(²)	11,000 (P)	(¹)	(¹)	0.5"-2"
Bresciani SA	Buenos Aires	(²)	(²)(P)	(¹)	(¹)	1"-3"
Canar-Canarias Argentinas Metales SA	Buenos Aires	(²)	(²)(P)	(¹)	(¹)	0.84"-4"
EMTS-Estalecimientos Metalurgicas	Buenos Aires	(²)	106,000 (P)	(¹)	(¹)	2.375"-5.5"
	Not reported	(²)	44,000 (P)	(¹)	(¹)	0.5"-3.5"
	Total	(²)	150,000 (P)	(¹)	(¹)	0.5"-5.5"
Imca y Per	Rosario	5	33,000 (MB)	(¹)	(¹)	0.625"-3"
		1	28,000 (MB)	(¹)	(¹)	2"-6"
	Total	6	61,000 (MB)	(¹)	(¹)	(²)
Laminfer SA	Rosario	(²)	121,000 (P)	(¹)	(¹)	0.5"-5"
M. Royo SA	Buenos Aires	(²)	198,000 (P)	(¹)	(¹)	3.5"-12.74"
Ortiz y Cia Srl	(²)	(²)	(²)(MB)	(¹)	(¹)	(²)
Rapi Estant	Buenos Aires	(²)	(²)(P)	(¹)	(¹)	0.625"-2"
SIAT (formerly Comatter)	Idem	(²)	88,000 (P)	(¹)	(¹)	4.5"-14.9"
Tubhier	Villa Mercedes	(²)	(²)(P)	(¹)	(¹)	6"-20"
Tubos Argentinos	Buenos Aires	(²)	(²)(P)	(¹)	(¹)	0.625"-4.5"
Total		(²)	848,000 ³	(¹)	(¹)	0.375"-24"

¹ No questionnaire submitted.

² No data available.

³ When differing published capacity data were available, Preston Pipe Report data were used to calculate the total presented.

CW—Continuous welded

Sources—Henry Cooke, ed., *Iron and Steel Works of the World*, 13th ed. (Metal Bulletin Books, 1999) (MB); and LaSondra O'Farrell, ed., *Pipe and Tube Mills of the World*, 2nd ed. (Preston Pipe Report, 1997) (P).

Table G-2
Welded carbon steel pipes and tubes: Capacity figures for Brazilian producers of size 16" and smaller

Company	Location	No. of mills	Published capacity	Reported capacity		Size range
				1997	1998	
			Quantity (short tons)			
Alpha Com. e Ind. de Tubos de Aço SA	Sao Paulo	(¹)	13,000 (P)	(²)	(²)	0.62"-1.25"
Alvenius Equipamentos Tubulares	Cotia	(¹)	26,000 (P)	(²)	(²)	1.25"-2.36"
Apolo Produtos de Aço SA	Rio de Janeiro	5	88,000 (P)	(²)	(²)	0.5"-3"
Cia Mercantil e Industrial Inga	Rio de Janeiro	(¹)	10,000 (P)	(²)	(²)	0.5"-2"
Cia Interamericana de Metalurgica	Guarulhos	(¹)	(¹)(P)	(²)	(²)	0.5"-4"
Cia Zamprogna de Tubos e Laminados	Porte Alegre	10	99,000 (P)	(²)	(²)	0.625"-5"
Comega Industria de Perfilados Ltda.	Ribeirao Preto	(¹)	22,000 (P)	(²)	(²)	0.622"-4"
Confab Tubos SA	Pindamonhangaba	(¹)	106,000 (P, MB)	(²)	(²)	4.5"-20"
Fornasa SA	Volta Redonda	(¹)	66,000 (P)	(²)	(²)	0.5"-6"
ITB-Industria Brasileira de Tubos SA	Rio de Janeiro	(¹)	110,000 (P)	(²)	(²)	1"-6.625"
Industrias Metalurgicas Paschal Thomeu	Sao Paulo	5	33,000 (P)	(²)	(²)	0.63"-4.5"
Irmaos Gravia Ltyds., Productos Metalurgic	Taquaritinga	(¹)	11,000 (P)	(²)	(²)	0.5"-1.5"
Laminacao Brasileiro de Ferro Brasferro	Nova Iguaco	(¹)	13,000 (P)	(²)	(²)	0.5"-2.5"
Mannesmann SA (sold to The Brasil Group)	Sao Paulo	(¹)	66,000 (P) 72,000 (MB)	(²)	(²)	0.235"-4.725"
Metalon Industrias Reunidas SA	Rio de Janeiro	4	44,000 (P)	(²)	(²)	0.5"-3.5"
Metalurgica Golin SA	Guarulhos	(¹)	13,000 (P)	(²)	(²)	1.4"-3.5"
Nortubo SA Tubos e Perfiladas	Annainderia	2	(¹)(P)	(²)	(²)	0.5"-6"

Footnotes appear at the end of the table (next page).

Table G-2—Continued

Welded carbon steel pipes and tubes: Capacity figures for Brazilian producers of size 16" and smaller

Company	Location	No. of mills	Published capacity	Reported capacity		Size range
				1997	1998	
			Quantity (short tons)			
Olimpus Metal Ltda.	Santo Andre	(¹)	(¹)(P)	(²)	(²)	0.118"—0.748"
Perfilados Parana, Com. e Rep. Ltda.	Curitiba	(¹)	(¹)(P)	(²)	(²)	0.88"—2"
Persico Pizzamiglio SA	Guarulhos	16	359,000 (P) 330,000 (MB)	(²)	(²)	0.375"—7"
Sociedade de Tubos Industriales "Lex" Lt.	Santos	(¹)	11,000 (P)	(²)	(²)	0.5"—1.25"
Solebral Productos Metalurgicos Ltda.	Diadema	(¹)	(¹)(P)	(²)	(²)	1.25"—3.5"
Transcan Industria e Comercio Ltda.	Rio de Janeiro	(¹)	13,000 (P)	(²)	(²)	0.5"—1.25"
Tubonal Tubos de Aco Ltda.-Division Fornasa	Volta Redonda	(¹)	66,000 (P) 99,000 (MB)	(²)	(²)	0.5"—4"
TUBRA-Tubos Brasileiros Ltd.	Sao Paulo	3	13,000 (P)	(²)	(²)	0.5"—4"
Tuper Industria Metalurgica SA	Sao Bento	(¹)	22,000 (P)	(²)	(²)	0.5"—3"
Tuperba Tubos e Perfis da Bahia SA	Simoos Filho	2	(¹)(P)	(²)	(²)	0.5"—6"
Total		(¹)	1,204,000 ³	(²)	(²)	0.118"—20"

¹ No data available.

² No questionnaire submitted.

³ When differing published capacity data were available, Preston Pipe Report data were used to calculate the total presented.

Sources—Henry Cooke, ed., *Iron and Steel Works of the World*, 13th ed. (Metal Bulletin Books, 1999) (MB); and LaSondra O'Farrell, ed., *Pipe and Tube Mills of the World*, 2nd ed. (Preston Pipe Report, 1997) (P).

Table G-3
Welded carbon steel pipes and tubes: Capacity figures for Indian producers of size 16" and smaller

Company	Location	No. of mills	Published capacity	Reported capacity		Size range
				1997	1998	
			Quantity (short tons)			
Ajanta Tubes	Ajanta	2	44,000 (P)	(¹)	(¹)	0.5"-3"
		1	66,000 (P)	(¹)	(¹)	4"-12"
	Total	3	110,000 (P)	(¹)	(¹)	0.5"-12"
Apollo Tubes	Tamil Nadu	3	83,000 (P)	(¹)	(¹)	0.5"-7.96"
Appeejay Surendra	Calcutta	2	31,000 (P)	(¹)	(¹)	0.5"-6"
Atlas Steel Tube Industries	Gurgaon	2	55,000 (MB)	(¹)	(¹)	0.5"-3"
AVN Tubes	Malanpur	(²)	22,000 (P)	(¹)	(¹)	0.5"-2.5"
BST Manufacturing	New Delhi	3	159,000 (P)	(¹)	(¹)	0.59"-8"
Bhushan Steel & Strips	New Delhi	(²)	(²)(MB)	(¹)	(¹)	(²)
Denholm Steels	MIDC Talaja	(²)	83,000 (MB) 55,000 (P)	(¹)	(¹)	4"-8"
Diwakar Engineers	Wazirpur	2	17,000 (P)	(¹)	(¹)	0.59"-1.97"
Gemini Steel Tubes	Bangalore	3	28,000 (MB)	(¹)	(¹)	0.5"-3"
Gujarat Steel Tubes	Kali	4	183,000 (P)	(¹)	(¹)	0.5"-10"
	Gujarat	(²)	132,000 (P)	(¹)	(¹)	2.375"-5.625"
	Total	(²)	315,000 (P)	(¹)	(¹)	0.5"-10"
Haryana Tube Mfg.	Hissar	3	110,000 (P)	(¹)	(¹)	0.5"-6"
Hindustan Pipe Vdg	Ghaziabad	4	55,000 (P)	(¹)	(¹)	0.5"-14"
Indian Tube	Jamshedpur	3	213,000 (P)	(¹)	(¹)	0.5"-3"
Jain Tube	Ghaziabad	2	119,000 (P)	(¹)	(¹)	0.5"-6"
Jindal Group of Industries (Jindal Strips)	Hissar	5	143,000 (P)	(¹)	(¹)	0.5"-12"
Jotindra Steel & Tubes	Faridabad	(²)	33,000 (P)	(¹)	(¹)	0.5"-6"
Khandewal Tubes	Khandewal	(²)	110,000 (P)	(¹)	(¹)	0.5"-4"
Lloyds Metals & Engineers	Kalyan	2	110,000 (P)	(¹)	(¹)	0.5"-14"
Maharashtra Seamless ³	Ghaziabad	4	69,000 (P)	(¹)	(¹)	0.5"-14"
Maharashtra Tube	Murbad	2	46,000 (P)	(¹)	(¹)	0.5"-3"
Malet Welding Works	Thana	1	11,000 (P)	(¹)	(¹)	0.5"-2"
MAN Industries (India)	(²)	(²)	(²)(P)	(¹)	(¹)	(²)

Footnotes appear at the end of the table (next page).

Table G-3—Continued
Welded carbon steel pipes and tubes: Capacity figures for Indian producers of size 16" and smaller

Company	Location	No. of mills	Published capacity	Reported capacity		Size range
				1997	1998	
			Quantity (short tons)			
Metalman Pipe Mfg.	Indore	3	28,000 (P)	(¹)	(¹)	0.5"—6"
Mukat Pipes	Rajpura	4	55,000 (MB)	(¹)	(¹)	0.5"—130"
Mysore Iron & Steel Works	Bhadravati	(²)	85,000 (P)	(¹)	(¹)	3"—30"
Nagarjuna Coated Tubes	Hyderabad	(²)	20,000 (P)	(¹)	(¹)	0.63"—3"
Prakash Tubes International	Bahardurgarh	4	55,000 (P)	(¹)	(¹)	0.5"—6"
Quality Steel Tubes Private	Kanpur	1	66,000 (P)	(¹)	(¹)	0.59"—5.9"
Rajindar Group	Bombay	(²)	55,000 (P)	(¹)	(¹)	(²)
Ravindra Tubes	Haryana	(²)	33,000 (P)	(¹)	(¹)	0.59"—6"
SAIL (Steel Authority of India Ltd)	Rourkela	(²)	83,000 (MB, P)	(¹)	(¹)	8.625"—18"
Shivmoni Steel Tubes	Bangalore	2	28,000 (P)	(¹)	(¹)	1"—4"
Shri Ambica Tubes	Ahmedabad	1	82,000 (P)	(¹)	(¹)	0.5"—4"
Smith Glass Products	Mumbai	1	26,000 (MB)	(¹)	(¹)	0.375"—2"
Steel Tubes of India	Dewas	2	55,000 (MB) 47,000 (P)	(¹)	(¹)	0.63"—3"
Surya Roshni	(²)	(²)	(²)(P)	(¹)	(¹)	(²)
Tata Iron & Steel	Jamshedpur	(²)	20,000 (P)	(¹)	(¹)	0.625"—3"
		1 CW	193,000 (P)	(¹)	(¹)	0.59"—3.15"
	Total	(²)	213,000 (P)	***	***	0.59"—3.15"
Tube Products of India	Avadi	4	149,000 (MB) 46,000 (P)	(¹)	(¹)	0.5"—4.5"
Zenith	Khopoli	(²)	119,000 (P)	(¹)	(¹)	0.5"—8"
Total		(²)	****	(²)	(²)	0.375"—130"

¹ No questionnaire submitted.

² No data available.

³ Only the plant at Ghazilbad, which employs the electric resistance-welding process, is included.

⁴ When differing published capacity data were available, Preston Pipe Report data were used to calculate the total presented. 1997 questionnaire addendum information when provided was utilized in place of published data.

CW—Continuous welded

Sources—Henry Cooke, ed., *Iron and Steel Works of the World*, 13th ed. (Metal Bulletin Books, 1999) (MB); and LaSondra O'Farrell, ed., *Pipe and Tube Mills of the World*, 2nd ed. (Preston Pipe Report, 1997) (P); and Commission questionnaire addendum responses.

Table G-4
Welded carbon steel pipes and tubes: Capacity figures for Korean producers of size 16" and smaller

Company	Location	No. of mills	Published capacity	Reported capacity		Size range
				1997	1998	
			Quantity (short tons)			
Dong Won Metal Industries	Seoul	2	40,000 (P)	(¹)	(¹)	0.622"-4.5"
Dongbu Steel	Inchon	(²)	154,000 (MB) 116,000 (P)	(²)	(²)	5"-20"
	Pusan ³	(²)	220,000 (MB) 133,000 (P)	(²)	(²)	0.5"-4"
	Seoul ³	(²)	289,000 (MB) 154,000 (P)	(²)	(²)	(²)
	Total	(²)	664,000 (MB) 403,000 (P)	***	***	(²)
Han Yang Pipes	Seoul	4	55,000 (P)	(¹)	(¹)	0.827"-12.5"
Hanil Iron & Steel Pipe	Seoul	5	77,000 (P)	(¹)	(¹)	0.625"-4.5"
Hankuk Pusa (Zion Steel)	Seoul	2	37,000 (P)	(¹)	(¹)	0.5"-8"
Hyundai Pipe	Ulsan	8	441,000 (MB)	(²)	(²)	0.75"-4"
		1	198,000 (MB)	(²)	(²)	5"-12"
		1	220,000 (MB)	(²)	(²)	12"-24"
	Total	10	860,000 (MB) 772,000 (P)	***	***	0.75"-24"
Korea Iron and Steel	Chang Won	3	127,000 (P)	***	***	0.543"-3"
Korea Steel Pipe	Pusan	(²)	*** (Q)	***	***	(²)
Masan Pipes	Masan	2	47,000 (P)	(²)	(²)	0.787"-2.38"
Samky Pohang	(²)	4	143,000 (P)	(¹)	(¹)	0.787"-9.5"
SeAH Steel	Pohang	5	248,000 (MB)	(²)	(²)	0.5"-2.5"
		2	220,000 (MB)	(²)	(²)	2"-8"
		1	276,000 (MB)	(²)	(²)	6"-12"
		1	331,000 (MB)	(²)	(²)	8"-24"
	Total	9	1,075,000 (MB) 1,075,000 (P)	***	***	0.5"-24"
Shin Chang Steel	(²)	(²)	(²)(Q)	(²)	(²)	(²)

Footnotes appear at the end of the table (next page).

Table G-4—Continued
Welded carbon steel pipes and tubes: Capacity figures for Korean producers of size 16" and smaller

Company	Location	No. of mills	Published capacity	Reported capacity		Size range
				1997	1998	
			Quantity (short tons)			
Shinho Steel Co	Inchon	(²)	441,000 (MB)	(²)	(²)	0.5"–12"
	Jeon La Nam-do	(²)	331,000 (MB)	(²)	(²)	8"–24"
	Total	(²)	772,000 (MB)	***	***	0.5"–24"
Tae Yang Steel Pipe Ind.	(²)	4	66,000 (P)	(¹)	(¹)	0.5"–4"
Union Steel Mfg. ⁴	(²)	(²)	331,000 (P)	***	***	0.5"–8"
Total		(²)	*** ⁵ (***)	(²)	(²)	0.375"–130"

¹ No questionnaire submitted.

² No data available.

³ Dongbu reported it had shut down its Pusan factory in June 1999 and its Seoul factory in August 1999. Counsel for Dongbu stated that Dongbu's Pusan factory equipment was sold to Daeho and that its Seoul factory equipment was sold to Hanil and Dongin. All three companies reportedly produce for the Korean domestic market. Telephone conversation with counsel for Dongbu, May 16, 2000.

⁴ ***

⁵ When differing published capacity data were available, Preston Pipe Report data were used to calculate the total presented. 1997 questionnaire addendum information—or, if not available, 1997 questionnaire data—was utilized in place of published data when either was provided.

CW—Continuous welded

Sources—Henry Cooke, ed., *Iron and Steel Works of the World*, 13th ed. (Metal Bulletin Books, 1999) (MB); and LaSondra O'Farrell, ed., *Pipe and Tube Mills of the World*, 2nd ed. (Preston Pipe Report, 1997) (P); and Commission questionnaire responses (Q).

Table G-5
Welded carbon steel pipes and tubes: Capacity figures for Mexican producers of size 16" and smaller

Company	Location	No. of mills	Published capacity	Reported capacity		Size range
				1997	1998	
			Quantity (short tons)			
Arcometal	San Luis Potosi	(¹)	106,000 (P)	(²)	(²)	0.5"-4"
Briones	Mexico City	3	(¹)(P)	(²)	(²)	0.5"-3.5"
Camas y Tubos	St. Pedro	2	13,000 (P)	(²)	(²)	0.5"-4"
Cia Mexicana de Tubos	Monclova	2	33,000 (P)	(²)	(²)	0.5"-4.5"
Fabrica de Tubois Bufalo	Mexico City	4	11,000 (P)	(²)	(²)	3"
Galvak	San Nicolas da los Garza	5	61,000 (P)	(²)	(²)	0.5"-3.5"
Hylsa	Monterrey	2	155,000 (MB) 165,000 (P)	***	***	0.5"-4.5"
Industrial de Tubos	Thalnepantla	(¹)	(¹)(P)	(²)	(²)	0.75"-2"
Industrias Monterrey	Apodaca	(¹)	8,000 (P)	(²)	(²)	0.5"-3"
La Metalica	Mexico City	3	22,000 (P)	(²)	(²)	0.375"-4.5"
Manguera Flex	Mexico City	(¹)	(¹)(P)	(²)	(²)	0.75"-3"
Metalica Industrial Mexicana	Mexico City	5	50,000 (P)	(²)	(²)	0.5"-3"
NASA - Nacional de Acero	Monterrey	(¹)	40,000 (P)	(²)	(²)	0.75"-3"
Procarsa	Frontera	1	165,000 (P)	(²)	(²)	1"-20"
Productos Especializados de Acero	Mexico City	(¹)	(¹)(MB)	(²)	(²)	(¹)
Prolamsa - Productos Laminados de Monterrey	Monterrey	15	300,000 (P)	(²)	(²)	0.5"-3"
Tubacero	Monterrey	(¹)	551,000 (P)	(²)	(²)	6.625"-16"
Tuberia Laguna	Durango	(¹)	138,000 (P)	(²)	(²)	6.625"-24"
Union-Mex	Mexico City	7	(¹)(P)	(²)	(²)	0.5"-4.5"
Villcaro - Tuberia Nacional (TUNA)	Monterrey	3	33,000 (P)	(²)	(²)	2.37"-6"
		1	66,000 (P)	(²)	(²)	0.374"-4"
	Total	4	99,000 (P)	***	***	0.374"-6"
Total		(¹)	*** ³	(¹)	(¹)	0.374"-24"

¹ No data available.

² No questionnaire submitted.

³ When differing published capacity data were available, Preston Pipe Report data were used to calculate the total presented. 1997 questionnaire addendum information when provided was utilized in place of published data.

Sources—Henry Cooke, ed., *Iron and Steel Works of the World*, 13th ed. (Metal Bulletin Books, 1999) (MB); and LaSondra O'Farrell, ed., *Pipe and Tube Mills of the World*, 2nd ed. (Preston Pipe Report, 1997) (P); and Commission questionnaire addendum responses.

Table G-6
Welded carbon steel pipes and tubes: Capacity figures for Singaporean producers of sizes up to 6"

Company	Location	No. of mills	Published capacity	Reported capacity		Size range
				1997	1998	
			Quantity (<i>short tons</i>)			
Bee Huat Industries Pty.	Singapore	2	24,000 (P)	(¹)	(¹)	0.5"-2"
Malaysia Steel Pipe Mfg.	Singapore	(²)	22,000 (P)	(¹)	(¹)	0.59"-2"
Simalpan Steel Industries (Pte)	Jurong Town	2	22,000 (P)	(¹)	(¹)	0.59"-4.5"
Steel Tubes of Singapore	Singapore	(²)	55,000 (P)	(¹)	(¹)	0.5"-6.625"
Total		(²)	123,000	(¹)	(¹)	0.5"-6.625"
¹ No questionnaire submitted. ² No data available.						
Sources—LaSondra O'Farrell, ed., <i>Pipe and Tube Mills of the World</i> , 2 nd ed. (Preston Pipe Report, 1997) (P).						

Table G-7

Welded carbon steel pipes and tubes: Capacity figures for Taiwanese producers of size 16" and smaller

Company	Location	No. of mills	Published capacity	Reported capacity		Size range
				1997	1998	
			Quantity (short tons)			
Far East Machinery Co. (FEMCO)	Chiayi	2	21,000 (P)	(¹)	(¹)	2.375"-7.625"
		(²)	33,000 (P)	(¹)	(¹)	3.5"-6.625"
		(²)	110,000 (P) ³	(¹)	(¹)	8.625"-16"
	Total	(²)	164,000 (P)	(¹)	(¹)	2.375"-16"
Gaoxingchang Iron & Steel	Gaoxiong	(²)	(²)(P)	(¹)	(¹)	0.984"-14.1"
Joysolind	Taibei	(²)	(²)(P) ⁴	(¹)	(¹)	0.839"-2.36"
		(²)	(²)(P) ⁴	(¹)	(¹)	1.66"-4.48"
		(²)	(²)(P) ⁴	(¹)	(¹)	5.66"-8.62"
		(²)	(²)(P) ⁴	(¹)	(¹)	5"-15.9"
Kao Hsing Chang Iron & Steel	Kaohsiung	(²)	110,000 (P)	(¹)	(¹)	0.854"-16"
Meiya Steel Pipe Plant	(²)	(²)	(²)(P)	(¹)	(¹)	(²)
Ornatube Enterprise Co., United	Kaohsiung	(²)	(²)(P)	(¹)	(¹)	0.5"-8"
Sheng Tu Steel	Kaohsiung	1	110,000 (P)	(¹)	(¹)	0.5"-6"
Yieh Hsing Enterprise	Kaohsiung	4	254,000 (MB) 243,000 (P)	(¹)	(¹)	0.5"-3.5"
Yieh Loong	Kaohsiung	(²)	66,000 (MB) 180,000 (P) ³	(¹)	(¹)	4"-25"
Yu-nion Machinery	Chiayi	4	(²)(P)	(¹)	(¹)	4"
Total		(²)	807,000 ⁵ (697,000, with capacity to produce pipe of sizes 6" and smaller)	(¹)	(¹)	0.5"-25"

¹ No questionnaire submitted.² No data available.³ Firms with ability to produce pipe to unspecified American Petroleum Institute (API) standards.⁴ Plants with ability to produce pipe to API 5CT standards.⁵ When differing published capacity data were available, Preston Pipe Report data were used to calculate the total presented.Sources—Henry Cooke, ed., *Iron and Steel Works of the World*, 13th ed. (Metal Bulletin Books, 1999) (MB); and LaSondra O'Farrell, ed., *Pipe and Tube Mills of the World*, 2nd ed. (Preston Pipe Report, 1997) (P).

Table G-8

Welded carbon steel pipes and tubes: Capacity figures for Thai producers of size 16" and smaller

Company	Location	No. of mills	Published capacity	Reported capacity		Size range
				1997	1998	
			Quantity (short tons)			
Saha Thai Steel Pipe	Samutprakern	(¹)	99,000 (P)	(²)	(²)	0.5"–6"
Sathask-Driam	Phathumtani	(¹)	28,000 (P)	(²)	(²)	0.5"–4"
Siam Nippon Steel Pipe	Laam Chabang	1	22,000 (P)	(²)	(²)	0.625"–2.38"
Siam Steel Pipes Import Export	Rajburana	(¹)	265,000 (P)	(²)	(²)	0.5"–8"
Thai Steel Pipe Industry	Samutprakern	4	66,000 (MB) 99,000 (P)	(²)	(²)	0.75"–4.5"
Thai Tube (formerly Thai Hong Steel Pipe)	Bangkok	(¹)	110,000 (P)	(²)	(²)	0.5"–4"
Thai Union Steel	Samutprakern	(¹)	220,000 (P)	(²)	(²)	0.5"–4"
Thai-Asia Steel Pipe	Samudprakarn	2	55,000 (P)	(²)	(²)	0.5"–6.7"
Thailand Steel Works	Samudprakarn	1	11,000 (P)	(²)	(²)	0.5"–4"
Total		(¹)	909,000 ³	(²)	(²)	0.5"–8"

¹ No data available.² No questionnaire submitted.³ When differing published capacity data were available, Preston Pipe Report data were used to calculate the total presented.Sources—Henry Cooke, ed., *Iron and Steel Works of the World*, 13th ed. (Metal Bulletin Books, 1999) (MB); and LaSondra O'Farrell, ed., *Pipe and Tube Mills of the World*, 2nd ed. (Preston Pipe Report, 1997) (P).

Table G-9
Welded carbon steel pipes and tubes: Capacity figures for Turkish producers of size 16" and smaller

Company	Location	No. of mills	Published capacity	Reported capacity		Size range
				1997	1998	
			Quantity (short tons)			
Borusan Birlesik	Gemlik	6 ¹	441,000 (MB) 330,000 (P)	***	***	0.839"–12.75"
Bortas Cayirova	Istanbul	(²)	(²)(P)	(³)	(³)	0.5"–6.625"
Depas	Denizli	(²)	44,000 (P)	(³)	(³)	0.374"–4"
EMC & Tembor	Gebze	(²)	77,000 (P)	(³)	(³)	2.375"–12.75"
Erbosan-Erciyas	Kayseri	6	77,000 (P)	(³)	(³)	0.51"–8.625"
Eregli Boru	Eregli	1	16,000 (P)	(³)	(³)	0.374"–2"
Mannesmann	Izmit	(²)	44,000 (P)	(³)	(³)	0.67"–2.36"
		(²)	88,000 (P)	(³)	(³)	0.5"–6.625"
		(²)	66,000 (P)	(³)	(³)	0.67"–2.5"
	Total	(²)	198,000 (P)	(³)	(³)	0.374"–6.625"
Ostar Boru	Bursa	(²)	22,000 (P)	(³)	(³)	0.375"–2"
Oto Profil	Istanbul	(²)	11,000 (P)	(³)	(³)	0.5"–2"
Profil Boru Sanayii	Gebze	2	45,000 (P)	(³)	(³)	0.375"–3.29"
Sevil Boru	Eregli	(²)	110,000 (P)	(³)	(³)	0.375"–5"
Umran Steel Pipe	Akcakoca-Bolu	(²)	386,000 (MB) 330,000 (P)	(³)	(³)	2"–16"
Yucel Boru	Gebze	12	330,000 (P)	(³)	(³)	0.39"–6.625"
Total		(²)	****	(²)	(²)	0.374"–16"

¹ Counsel for the Turkish producer asserts that Borusan closed its Kartal factory at the end of 1998, reducing its standard pipe and rectangular pipe capacity. Posthearing brief, exh. 1.
² No data available.
³ No questionnaire submitted.
⁴ When differing published capacity data were available, Preston Pipe Report data were used to calculate the total presented. 1997 questionnaire addendum information when provided was utilized in place of published data.

Sources—Henry Cooke, ed., *Iron and Steel Works of the World*, 13th ed. (Metal Bulletin Books, 1999) (MB); and LaSondra O'Farrell, ed., *Pipe and Tube Mills of the World*, 2nd ed. (Preston Pipe Report, 1997) (P); and Commission questionnaire addendum responses.

Table G-10
Welded carbon steel pipes and tubes: Capacity figures for Venezuelan producers of size 16" and smaller

Company	Location	No. of mills	Published capacity	Reported capacity		Size range
				1997	1998	
			Quantity (short tons)			
CA Conduven	La Victoria	1	120,000 (MB)	(¹)	(¹)	12.75"
		4	60,000 (MB)	(¹)	(¹)	2.375"
		2	72,000 (MB)	(¹)	(¹)	4.5"
		3	18,000 (MB)	(¹)	(¹)	3"
	Total	10	270,000 (MB) 440,000 (P)	***	***	2.375"–12.75"
Grupo Siderpro CA (Sideroca & Proacero) ²	Estado Zulia ³	(¹)	120,000 (P)	(⁴)	(⁴)	2.375"–6.625"
		(¹)	280,000 (P)	(⁴)	(⁴)	6.625"–16"
	Total	(¹)	400,000 (P)	(⁴)	(⁴)	2.375"–16"
Univensa-Union Industrial Venezolana SA	Edo Lara	(¹)	70,000 (P)	(⁴)	(⁴)	0.5"–6.75"
Armco Venezuela	Valencia	(¹)	15,000 (P)	(⁴)	(⁴)	2.5"
Condosid ²	La Victoria	(¹)	140,000 (P)	(⁴)	(⁴)	2.375"–13.37"
El Tiede ²	Caracas	1	30,000 (P)	(⁴)	(⁴)	0.5"–3"
Total		(¹)	*** ⁵	(¹)	(¹)	0.5"–16"

¹ No data available.

² Counsel for the Venezuelan producer asserts that only CA Conduven, Univensa, and Armco Venezuela are able to produce subject circular welded carbon steel pipe and tube. Posthearing submission, p. 9.

³ Counsel for the Venezuelan producers asserts that at least one of these facilities is no longer operating. Posthearing submission, p. 10.

⁴ No questionnaire submitted.

⁵ When differing published capacity data were available, Preston Pipe Report data were used to calculate the total presented. 1997 questionnaire addendum information when provided was utilized in place of published data.

Note—Country total utilizes questionnaire addendum information when provided.

Sources—Henry Cooke, ed., *Iron and Steel Works of the World*, 13th ed. (Metal Bulletin Books, 1999) (MB); and LaSondra O'Farrell, ed., *Pipe and Tube Mills of the World*, 2nd ed. (Preston Pipe Report, 1997) (P); and Commission questionnaire addendum responses.

APPENDIX H

FOREIGN COUNTRIES' EXPORT MARKETS FOR SUBJECT PRODUCTS

Table H-1
Circular welded carbon steel pipes and tubes: Exports for Brazil, India, Korea, Mexico, Turkey, and Venezuela, by markets, 1996-98

Exporting country and markets	Calendar year		
	1996	1997	1998
	Quantity (<i>short tons</i>)		
Brazil to—			
Argentina	845	776	1,965
Bolivia	1,333	1,472	1,274
Paraguay	1,211	1,168	886
Uruguay	796	936	859
United States	2,435	444	755
All other	771	1,041	1,215
Worldwide	7,391	5,837	6,954
India to—			
Bangladesh	429	89	NR
Australia	0	23	NR
Latvia	0	22	NR
Malaysia	7	0	NR
United States	86	0	NR
Worldwide	562	133	NR
Korea to—			
United States	176,706	158,708	206,790
Japan	181,224	164,895	106,222
Hong Kong	27,135	35,513	30,931
Saudi Arabia	7,470	9,580	26,228
India	11	7,702	18,779
All other	64,213	67,905	123,703
Worldwide	456,760	444,303	512,653

Table continued on next page.

Table H-1—Continued
Circular welded carbon steel pipes and tubes: Exports for Brazil, India, Korea, Mexico, Turkey, and Venezuela, by markets, 1996–98

Exporting country and markets	Calendar year		
	1996	1997	1998
	Quantity (<i>short tons</i>)		
Mexico to—			
United States	22,341	32,208	60,604
Chile	5,937	7,863	6,548
Canada	4,332	7,240	3,376
Costa Rica	159	1,778	1,283
Guatemala	164	1,265	1,203
All other	7,887	5,566	3,277
Worldwide	40,820	55,920	76,291
Thailand to—			
United States	78,111	45,645	NR
China	23,502	17,940	NR
Singapore	11,580	16,641	NR
United Arab Emirates	13,176	12,622	NR
Brunei	11,665	11,644	NR
All other	49,573	44,723	NR
Worldwide	187,606	149,215	NR
Turkey to—			
United Kingdom	36,248	58,158	43,333
Germany	17,820	25,480	34,040
Algeria	8,708	16,237	28,639
Italy	18,135	25,115	27,829
Belgium and Luxembourg	24,829	17,990	21,022
United States	31,056	16,676	19,211
All other	63,947	105,555	99,539
Worldwide	200,743	265,210	273,612

Table continued on next page.

Table H-1—Continued

Circular welded carbon steel pipes and tubes: Exports for Brazil, India, Korea, Mexico, Turkey, and Venezuela, by markets, 1996–98

Exporting country and markets	Calendar year		
	1996	1997	1998
	Quantity (<i>short tons</i>)		
Venezuela to—			
Spain	1,878	6,539	NR
Colombia	3,019	3,530	NR
Brazil	1,412	3,210	NR
Trinidad and Tobago	521	1,635	NR
Cuba	2,330	737	NR
All other	320	711	NR
Worldwide	9,481	16,361	NR

NR—Not reported.

Note—Data compiled at the six-digit Harmonized Tariff Schedule level (7306.30); all figures may be overstated. There were no reported exports from Taiwan because Taiwan is not a United Nations (UN) member. Worldwide totals may not equal individual figures shown because of inconsistencies in UN data or possible shipments to locations not tracked by the UN.

Source: UN Harmonized Schedule Merchandise Trade data.

Table H-2**Noncircular welded pipes and tubes: Exports for Argentina and Singapore, by markets, 1996-98**

Exporting country and markets	Calendar year		
	1996	1997	1998
	Quantity (<i>short tons</i>)		
Argentina to—			
Bolivia	2,959	4,785	5,093
Brazil	618	1,552	3,272
Paraguay	763	1,387	935
Uruguay	0	0	611
Chile	599	0	0
Peru	0	2	0
United States	(¹)	(¹)	(¹)
Mexico	(¹)	(¹)	(¹)
Worldwide	5,158	8,089	9,910
Singapore to—			
Malaysia	1,498	1,127	1,456
Sri Lanka	54	343	588
Brunei	502	369	297
Hong Kong	26	13	120
Maldiv Islands	25	40	43
All other	1,039	513	79
Worldwide	3,145	2,404	2,583
¹ Less than one ton. Note—Data compiled at the six-digit Harmonized Tariff Schedule level (7306.60); all figures may be overstated. There were no reported exports from Taiwan because Taiwan is not a United Nations (UN) member. Worldwide totals may not equal individual figures shown because of inconsistencies in UN data or possible shipments to locations not tracked by the UN. Source: UN Harmonized Schedule Merchandise Trade data.			

Table H-3
Oil country tubular goods other than drill pipe: Exports for Canada, by markets, 1996-98

Market	Calendar year		
	1996	1997	1998
	Quantity (<i>short tons</i>)		
Canada to—			
United States	5,671	6,843	1,680
Venezuela	40	545	322
Iran	0	9	69
South Africa	0	0	56
Cuba	31	142	56
All other	877	364	68
Worldwide	6,619	7,902	2,252
Note—Data compiled at the six-digit Harmonized Tariff Schedule level (7304.29, 7305.20, and 7306.20). There were no reported exports from Taiwan because Taiwan is not a United Nations (UN) member.			
Source: UN Harmonized Schedule Merchandise Trade data.			

Table H-4
Drill pipe: Exports for Canada, by markets, 1996-98

Market	Calendar year		
	1996	1997	1998
	Quantity (<i>short tons</i>)		
Canada to—			
United States	919	1,788	331
United Kingdom	13	0	279
Cuba	0	4	127
Japan	90	0	52
Hong Kong	0	0	7
All other	377	545	1
Worldwide	1,400	2,337	796
Note—Data compiled at the six-digit Harmonized Tariff Schedule level (7304.21). There were no reported exports from Taiwan because Taiwan is not a United Nations (UN) member.			
Source: UN Harmonized Schedule Merchandise Trade data.			

APPENDIX J

**ADDENDA DATA FROM FOREIGN PRODUCERS OF
WELDED CARBON STEEL PIPES AND TUBES**

Table J-1
Welded carbon steel pipes and tubes: Production and capacity for responding producer in India, 1997-98, January-September 1998, and January-September 1999

* * * * *

Table J-2
Welded carbon steel pipes and tubes: Production and capacity for responding producers in Korea,
1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
	Quantity (short tons)			
Total average production capacity	3,419,500	3,012,700	2,259,197	2,191,997
Capacity to produce - larger than 16"	1,064,000	1,064,000	795,250	795,250
Capacity to produce - 16" and smaller	2,355,500	1,948,700	1,463,947	1,396,747
Production - larger than 16"	828,750	642,157	432,788	494,130
Production - 16" and smaller:				
Single stenciled line pipe	175,286	122,612	94,593	74,168
Dual stenciled line pipe	109,356	144,022	107,953	101,706
Other multi-stenciled line pipe	10,337	37,226	23,435	28,409
Other nonsubject pipe	384,638	197,728	137,543	147,575
Subject pipe	1,316,316	862,398	668,153	662,354
Total	1,995,933	1,363,986	1,031,677	1,014,212
Total production	2,824,683	2,006,143	1,464,465	1,508,342
	Ratios and shares (percent)			
Capacity utilization:				
Larger than 16"	77.0	57.7	53.1	59.2
16" and smaller	84.7	70.0	70.5	72.6
Share of total production:				
Larger than 16"	29.3	32.0	29.6	32.8
16" and smaller:				
Single stenciled line pipe	6.2	6.1	6.5	4.9
Dual stenciled line pipe	3.9	7.2	7.4	6.7
Other multi-stenciled line pipe	0.4	1.9	1.6	1.9
Other nonsubject pipe	13.6	9.9	9.4	9.8
Subject pipe	46.6	43.0	45.6	43.9
Total	70.7	68.0	70.4	67.2
Total production	100.0	100.0	100.0	100.0
Note—Because of rounding, figures may not add to the totals shown; ratios and shares are computed from the unrounded data.				
Source: Compiled from data submitted in response to Commission questionnaire addenda.				

Table J-3
Welded carbon steel pipes and tubes: Production and capacity for responding producers in Mexico, 1997-98, January-September 1998, and January-September 1999

* * * * *

Table J-4
Welded carbon steel pipes and tubes: Production and capacity for responding producer in Turkey, 1997-98, January-September 1998, and January-September 1999

* * * * *

Table J-5
Welded carbon steel pipes and tubes: Production and capacity for responding producer in Venezuela, 1997-98, January-September 1998, and January-September 1999

* * * * *

APPENDIX K
DEMAND INDICATORS

Table K-1
Annual value of new construction in the United States in current and constant 1992 dollars,
1984-98

Year	Current	Constant 1992 dollars
	(\$ million)	(\$ million)
1984	369,025	463,057
1985	401,370	490,943
1986	429,924	507,275
1987	441,647	502,468
1988	455,618	499,621
1989	469,797	495,387
1990	468,532	479,016
1991	424,176	429,592
1992	452,086	451,998
1993	478,648	461,078
1994	519,539	480,620
1995	537,409	477,386
1996	583,445	506,485
1997	618,225	520,123
1998	665,446	544,729

Source: U.S. Bureau of the Census, www.census.gov/pub/const/C30.

Table K-2**Annual value of nonresidential building construction in the United States in current and constant 1992 dollars, 1984-98, and percentage change from previous year's spending**

Year	Current		Constant 1992 dollars	
	<i>(\$ billion)</i>	<i>percent change</i>	<i>(\$ billion)</i>	<i>percent change</i>
1984	107.8		135.7	
1985	127.5	18.3	156.3	15.2
1986	120.9	-5.2	143.0	-8.5
1987	123.2	1.9	140.1	-2.0
1988	130.9	6.3	143.5	2.4
1989	140.0	7.0	147.8	3.0
1990	143.5	2.5	146.7	-0.7
1991	116.6	-18.7	118.3	-19.4
1992	105.6	-9.4	105.6	-10.7
1993	110.6	4.7	106.7	1.0
1994	120.3	8.8	111.4	4.4
1995	135.0	12.2	120.6	8.3
1996	150.4	11.4	131.2	8.8
1997	167.6	11.4	141.1	7.5
1998	181.9	8.5	148.0	4.9

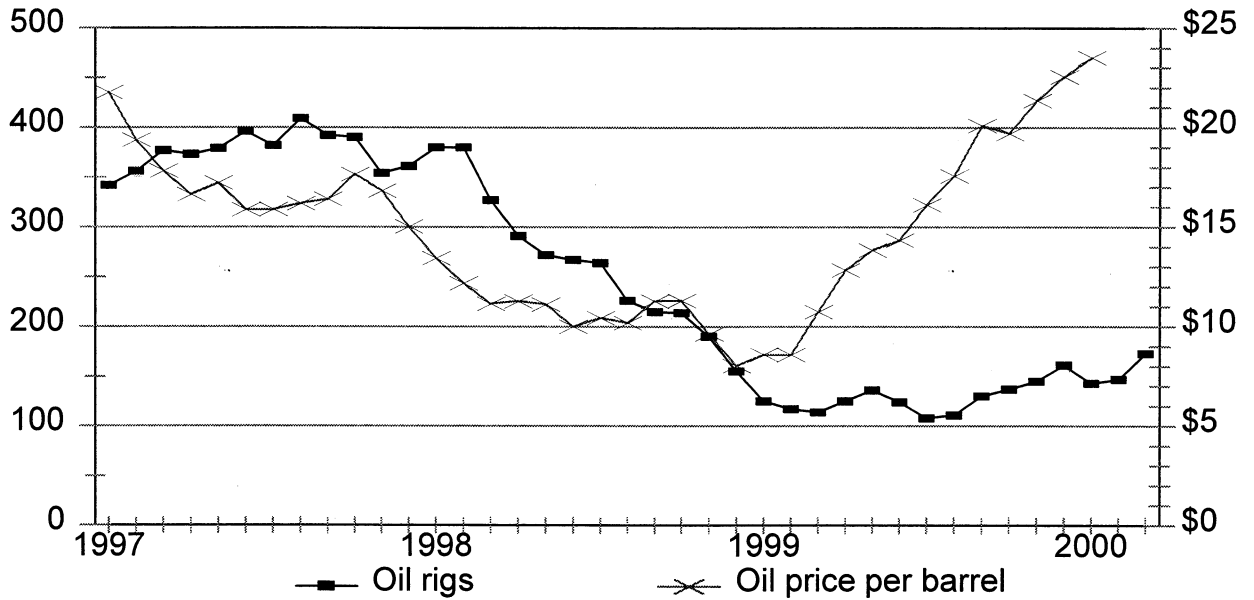
Source: U.S. Bureau of the Census, www.census.gov/pub/const/C30.

Table K-3
Average annual worldwide and U.S. rig count, 1986-99

Year	Worldwide rig count	U.S. rig count
1986	2,215	964
1987	2,097	937
1988	2,164	937
1989	1,919	870
1990	2,052	1,008
1991	1,894	864
1992	1,674	721
1993	1,710	754
1994	1,767	774
1995	1,712	723
1996	1,842	779
1997	2,128	944
1998	1,843	827
1999	1,403	625

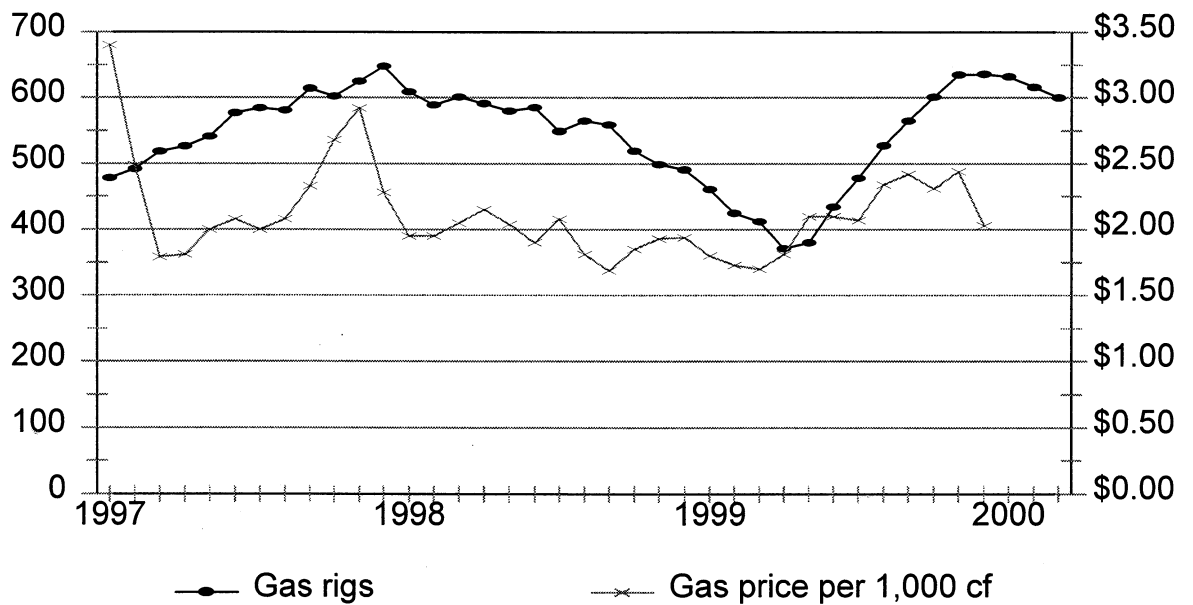
Source: Baker Hughes Incorporated Worldwide Rig Count and Energy Information Administration Monthly Energy Review April 2000.

Figure K-1
Monthly U.S. average oil rig count and monthly average domestic wellhead oil price per barrel



Source: Energy Information Administration Monthly Energy Review, April 2000.

Figure K-2
Monthly U.S. average natural gas rig count and monthly average domestic wellhead natural gas price per 1000 cubic feet



Source: Energy Information Administration Monthly Energy Review, April 2000.

APPENDIX L
MODEL SIMULATIONS

Table L-1
Circular welded carbon steel pipes and tubes: Estimated impact of duty revocation and possible domestic demand changes; no change, 5 percent increase, 5 percent decrease

* * * * *

APPENDIX M

**FINANCIAL PERFORMANCE OF PRODUCERS OF
CERTAIN SMALL DIAMETER CARBON STEEL PIPES AND TUBES**

Table M-1 aggregates income-and-loss data for *** U.S. producers of certain small diameter circular welded carbon steel pipes and tubes (CSD).¹ In 1998, sales revenue of CSD was dominated by *** with *** percent of total sales revenue. The remaining producers each represented from *** percent to *** percent of total sales. (Note: Within the circular welded pipes and tubes category, ***)

CSD operating-income ratios were relatively stable; i.e., moving within a relatively narrow range of 4.9 percent and 6.0 percent throughout the entire period.² At the beginning of the period examined, company-specific operating-income ratios ranged from a low of *** percent to a high of *** percent. Despite operating losses by ***, interim 1999 operating income was higher than interim 1998 and on an annualized basis was higher than operating income at the beginning of the period.

Although the overall unit sales values of CSD declined throughout the period, lower unit raw material costs, especially for interim 1999, helped to limit the impact on gross margins. While unit operating income was affected by these lower unit sales values, it nonetheless fluctuated within a relatively narrow band throughout the period. The average unit sales and cost values per short ton are provided in table M-2.

***, whose results are *** in the overall CSD operating results, exhibited relatively *** operating income at the end of the period.³ Among the large producers of CSD, *** reported negative operating income for most of the period examined. *** experienced a large drop in unit sales value without a corresponding decrease in COGS. ***'s 1997 operating-income ratio, which was already weak, was also exacerbated by declines in unit-sales values. The only other producer to report losses during the majority of the period was ***.⁴ In general, *** producers (which would include ***) all reported negative operating income for interim 1999. *** producers, ***, remained profitable with *** operating margins throughout the period.⁵ Company-specific financial information related to CSD is provided in table M-3.

Capital Expenditures, R&D Expenses, and Investment in Productive Facilities

The above-referenced firms' data on capital expenditures, R&D expenses, and the value of their property, plant, and equipment are shown in table M-4.

¹ ***.

² In 1998, CSD represented approximately 50 percent of the total volume of the circular welded carbon steel pipes and tubes product category. During the period examined the average operating ratio for circular welded carbon steel pipes and tubes category was consistently above the operating ratio of CSD. At the end of the period examined, the absolute difference between the operating-income ratios of the two categories had narrowed to approximately 2.5 percent.

³ ***.

⁴ ***.

⁵ ***.

Table M-1

Results of operations of U.S. producers in the production of certain small diameter carbon steel pipes and tubes, fiscal years 1997–98, January–September 1998, and January–September 1999

Item	Fiscal year		January–September	
	1997	1998	1998	1999
	Quantity (short tons)			
Trade sales	964,900	950,767	732,892	735,258
Company transfers	108,728	118,791	91,942	78,052
Total sales	1,073,628	1,069,558	824,834	813,310
	Value (\$1,000)			
Trade sales	632,633	599,569	466,389	434,761
Company transfers	60,050	62,977	48,821	46,417
Total sales	692,683	662,546	515,210	481,178
Cost of goods sold	613,227	586,837	456,314	417,690
Gross profit	79,456	75,709	58,896	63,488
SG&A expenses	41,958	43,175	33,893	34,533
Operating income or (loss)	37,498	32,534	25,003	28,955
Interest expense	9,145	9,511	7,750	5,277
Other expense	729	1,017	777	727
Other income items	2,000	2,992	2,141	2,657
Net income or (loss)	29,624	24,998	18,617	25,608
Depreciation/amortization	12,045	12,781	9,734	10,070
Cash flow	41,669	37,779	28,351	35,678
	Ratio to net sales (percent)			
Cost of goods sold	88.5	88.6	88.6	86.8
Gross profit	11.5	11.4	11.4	13.2
SG&A expenses	6.1	6.5	6.6	7.2
Operating income or (loss)	5.4	4.9	4.9	6.0
Net income or (loss)	4.3	3.8	3.6	5.3
	Number of firms reporting			
Operating losses	0	4	3	6
Data	13	13	13	13
Note: Because of rounding, figures may not add to the totals shown.				
Source: Compiled from data submitted in response to Commission questionnaires.				

Table M-2

Results of operations (per short ton) of U.S. producers in the production of certain small diameter carbon steel pipes and tubes, fiscal years 1997–98, January–September 1998, and January–September 1999

Item	Fiscal year		January–September	
	1997	1998	1998	1999
	Unit value (per short ton)			
Net sales	\$645	\$619	\$625	\$592
Cost of goods sold				
Raw materials	410	388	389	344
Direct labor	59	58	59	61
Other factory	102	103	105	108
Total cost of goods sold:	571	549	553	514
Gross profit	74	71	71	78
SG&A expenses	39	40	41	42
Operating income or (loss)	35	30	30	36
Source: Compiled from data submitted in response to Commission questionnaires.				

Table M-3

Results of operations of U.S. producers in the production of certain small diameter carbon steel pipes and tubes, by firm, fiscal years 1997–98, January–September 1998, and January–September 1999

* * * * *

Table M-4

Capital expenditures by firm, total value of assets, and R&D expenses of U.S. producers of certain small diameter carbon steel pipes and tubes, fiscal years 1997–98, January–September 1998, and January–September 1999

	*	*	*	*	*	*
Total capital expenditures	7,797	7,745	5,230	6,816		
Total R&D expenses	***	***	***	***		
Fixed assets:						
Total original cost	169,319	219,182	215,495	220,439		
Total book value	91,737	126,708	125,943	118,158		
Note: ***.						
Source: Compiled from data submitted in response to Commission questionnaires.						

APPENDIX N
PRICE TRENDS

Figure N-1

Circular welded carbon steel pipes and tubes, product 1: Price trends of domestic producers and importers of product from subject sources, by quarters, January 1997-September 1999

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Figure N-2

Circular welded carbon steel pipes and tubes, product 2: Price trends of domestic producers and importers of product from subject sources, by quarters, January 1997-September 1999

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Figure N-3

Circular welded carbon steel pipes and tubes, product 3: Price trends of domestic producers and importers of product from subject sources, by quarters, January 1997-September 1999

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Figure N-4

Circular welded carbon steel pipes and tubes, product 4: Price trends of domestic producers and importers of product from subject sources, by quarters, January 1997-September 1999

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Figure N-5

Circular welded carbon steel pipes and tubes, product 5: Price trends of domestic producers and importers of product from subject sources, by quarters, January 1997-September 1999

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Figure N-6

Circular welded carbon steel pipes and tubes, product 6: Price trends of domestic producers and importers of product from subject sources, by quarters, January 1997-September 1999

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Figure N-7

Light-walled rectangular carbon steel pipes and tubes: Price trends of domestic producers and importers of product 1 from nonsubject countries, by quarters, January 1997-September 1999

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Figure N-8

Light-walled rectangular carbon steel pipes and tubes: Price trends of domestic producers and importers of product 2 from nonsubject countries, by quarters, January 1997-September 1999

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Figure N-9

Oil country tubular goods: Price trends of tubing sold to U.S. distributors by domestic producers and importers, by quarters, January 1997-September 1999

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Figure N-10

Oil country tubular goods: Price trends of casing sold to U.S. end users and distributors by domestic producers and importers, by quarters, January 1997-September 1999

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