

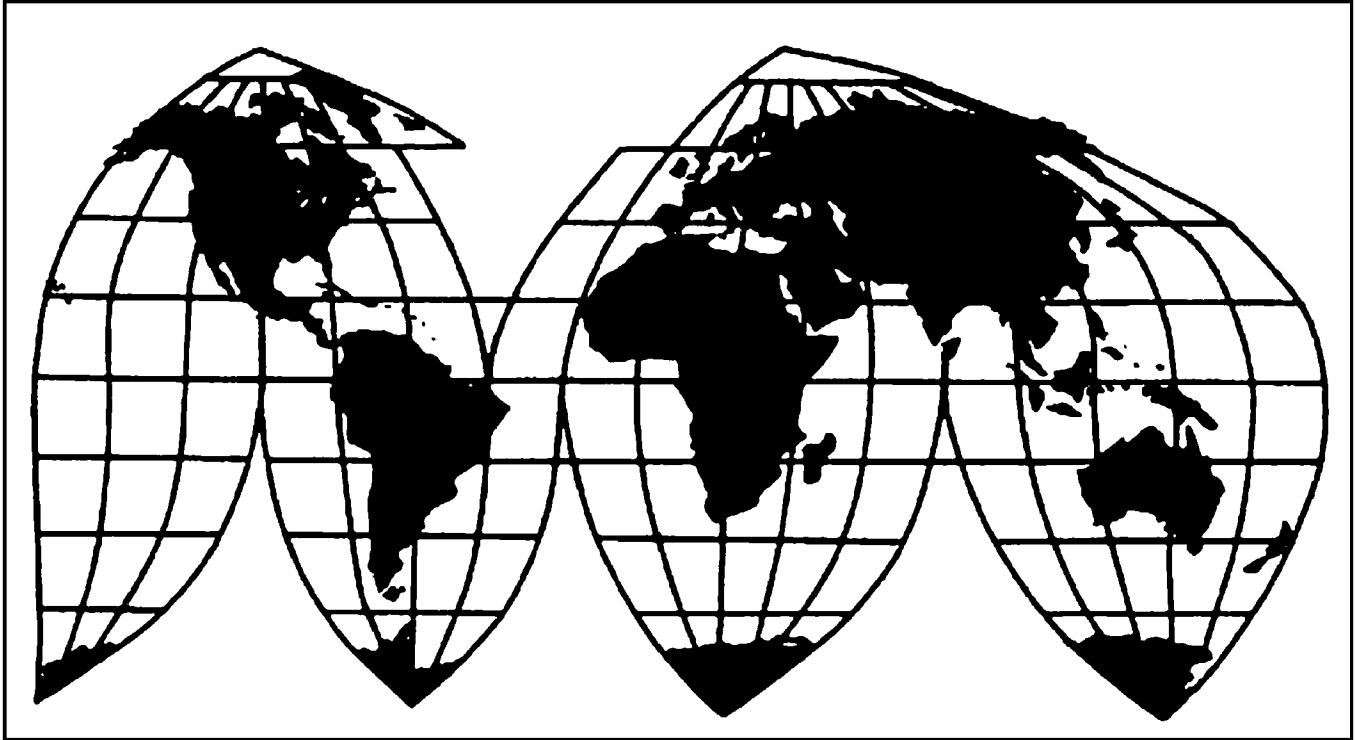
Oil Country Tubular Goods from Argentina, Mexico, Russia, and South Korea

Investigation Nos. 701-TA-671-672 and 731-TA-1571-1573 (Preliminary)

Publication 5248

November 2021

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Jason Miller, Attorney
Douglas Corkran, Supervisory Investigator

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

U.S. International Trade Commission

Washington, DC 20436
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Note.—Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets in confidential reports and is deleted and replaced with asterisks (***) in public reports.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-671-672 and 731-TA-1571-1573 (Preliminary)

Oil Country Tubular Goods from Argentina, Mexico, Russia, and South Korea

DETERMINATIONS

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of oil country tubular goods from Argentina, Mexico, Russia, and South Korea, provided for in subheadings 7304.29, 7305.20, and 7306.29 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value (“LTFV”) and to be subsidized by the governments of Russia and South Korea.²

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

Pursuant to section 207.18 of the Commission’s rules, the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in § 207.21 of the Commission’s rules, upon notice from the U.S. Department of Commerce (“Commerce”) of affirmative preliminary determinations in the investigations under §§ 703(b) or 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under §§ 705(a) or 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

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

² 86 FR 60205 and 86 FR 60210 (November 1, 2021).

BACKGROUND

On October 6, 2021, Borusan Mannesmann Pipe U.S., Inc., Baytown, Texas; PTC Liberty Tubulars LLC, Liberty, Texas; U.S. Steel Tubular Products, Inc., Pittsburgh, Pennsylvania; Welded Tube USA, Inc., Lackawanna, New York; and the United States Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC, Pittsburgh, Pennsylvania, filed petitions with the Commission and Commerce, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized imports of oil country tubular goods from Russia and South Korea and LTFV imports of oil country tubular goods from Argentina, Mexico, and Russia. Accordingly, effective October 6, 2021, the Commission instituted countervailing duty investigation Nos. 701-TA-671-672 and antidumping duty investigation Nos. 731-TA-1571-1573 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference 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* of October 13, 2021 (86 FR 56983). In light of the restrictions on access to the Commission building due to the COVID-19 pandemic, the Commission conducted its conference through written testimony and video conference on October 27, 2021. All persons who requested the opportunity were permitted to participate.

Views of the Commission

Based on the record in the preliminary phase of these investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of oil country tubular goods (“OCTG”) from Argentina, Mexico, and Russia that are allegedly sold in the United States at less than fair value and imports of OCTG from Russia and South Korea that are allegedly subsidized by the governments of Russia and South Korea.

I. The Legal Standard for Preliminary Determinations

The legal standard for preliminary antidumping and countervailing duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determinations, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.¹ In applying this standard, the Commission weighs the evidence before it and determines whether “(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation.”²

II. Background

The petitions in these investigations were filed on October 6, 2021, by Borusan Mannesmann Pipe U.S., Inc. (“Borusan”), PTC Liberty Tubulars LLC (“PTC”), U.S. Steel Tubular Products, Inc. (“U.S. Steel”), the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (“USW”), and Welded Tube USA, Inc. (“Welded Tube”) (collectively, “Petitioners”). Borusan, PTC, U.S. Steel, and Welded Tube are domestic producers of OCTG; USW is a labor union representing U.S.

¹ 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); *see also American Lamb Co. v. United States*, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); *Aristech Chem. Corp. v. United States*, 20 CIT 353, 354-55 (1996). No party argues that the establishment of an industry in the United States is materially retarded by the allegedly unfairly traded imports.

² *American Lamb Co.*, 785 F.2d at 1001; *see also Texas Crushed Stone Co. v. United States*, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

OCTG workers. Petitioners appeared at the conference and submitted a joint postconference brief.³

The following respondents appeared at the conference and submitted a joint postconference brief: Tenaris Bay City, Inc., Maverick Tube Corporation, and IPSCO Tubulars Inc. (“Tenaris USA”), domestic producers of OCTG; Tenaris Global Services (U.S.A.) Corporation (“TGS USA”), an importer of OCTG; Siderca S.A.I.C. (“Siderca”), a producer and exporter of OCTG in Argentina; and Tubos de Acero de Mexico, S.A. (“TAMSA”), a producer and exporter of OCTG in Mexico (collectively, “Tenaris”). Each of these firms is a subsidiary of the holding company Tenaris SA.⁴

In addition to Tenaris, Russian OCTG producer and exporter TMK Group (“TMK”) also appeared at the conference and submitted a separate postconference brief. Representatives from the governments of Mexico and Russia each submitted a postconference brief.⁵

U.S. industry data are based on the questionnaire responses of 17 firms that are believed to account for the large majority of U.S. OCTG production in 2020.⁶ U.S. import data are based on official import statistics from the U.S. Department of Commerce (“Commerce”).⁷ The Commission received questionnaire responses from 26 importers of OCTG, representing *** U.S. imports from Argentina, *** percent of U.S. imports from Mexico, *** percent of U.S. imports from Russia, *** percent of U.S. imports from South Korea, and *** percent of U.S. imports from nonsubject sources in 2020.⁸ Foreign industry data and related information are based on questionnaire responses from: one producer/exporter of OCTG in Argentina accounting for approximately *** percent of OCTG production in Argentina in 2020 and *** U.S. imports of subject merchandise from Argentina in 2020;⁹ one producer/exporter of OCTG

³ In light of the restrictions on access to the Commission building due to the COVID-19 pandemic, the Commission conducted its staff conference on October 27, 2021 through written witness testimony and video conference, as set forth in procedures provided to the parties and announced on its website.

⁴ Confidential Report, Memorandum INV-TT-129 (“CR”) at Table III-2; Public Report, *Oil Country Tubular Goods from Argentina, Mexico, Russia, and South Korea*, Inv. Nos. 701-TA-671-672 and 731-TA-1571-1573 (Preliminary), USITC Pub. 5248 (Nov. 2021) (“PR”) at Table III-2; Conference Transcript (“Tr.”), EDIS Doc. 755274 at 164 (Curá).

⁵ Additionally, a representative of the government of Argentina read a statement at the conference.

⁶ CR/PR at I-4.

⁷ CR/PR at IV-1. These statistics do not include in-scope coupling stock, which enter under HTS statistical reporting numbers that include primarily out-of-scope products. *Id.* at IV-1 n.3.

⁸ CR/PR at IV-1. In light of the questionnaire coverage, import data are based on official Commerce statistics. *Id.*

⁹ CR/PR at VII-3.

in Mexico reportedly accounting for *** OCTG production in Mexico in 2020 and approximately *** percent of U.S. imports of subject merchandise from Mexico in 2020;¹⁰ two producers/exporters of OCTG in Russia accounting for approximately *** percent of OCTG production in Russia in 2020 and *** U.S. imports of subject merchandise from Russia in 2020;¹¹ and one producer/exporter of OCTG in South Korea reportedly accounting for approximately *** percent of OCTG production in South Korea in 2020 and *** percent of U.S. imports of subject merchandise from South Korea in 2020.¹²

III. Domestic Like Product

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the “domestic like product” and the “industry.”¹³ Section 771(4)(A) of the Tariff Act of 1930, as amended (“the Tariff Act”), defines the relevant domestic industry as the “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”¹⁴ In turn, the Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation.”¹⁵

By statute, the Commission’s “domestic like product” analysis begins with the “article subject to an investigation,” *i.e.*, the subject merchandise as determined by Commerce.¹⁶ Therefore, Commerce’s determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value is “necessarily the starting point of the Commission’s like product analysis.”¹⁷ The Commission then defines the domestic like product

¹⁰ CR/PR at VII-10.

¹¹ CR/PR at VII-16.

¹² CR/PR at VII-23 and VII-23 n.24. This producer/exporter’s share of Korean production is likely overstated. *See* CR/PR at VII-23 n.24.

¹³ 19 U.S.C. § 1677(4)(A).

¹⁴ 19 U.S.C. § 1677(4)(A).

¹⁵ 19 U.S.C. § 1677(10).

¹⁶ 19 U.S.C. § 1677(10). The Commission must accept Commerce’s determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value. *See, e.g., USEC, Inc. v. United States*, 34 Fed. App’x 725, 730 (Fed. Cir. 2002) (“The ITC may not modify the class or kind of imported merchandise examined by Commerce.”); *Algoma Steel Corp. v. United States*, 688 F. Supp. 639, 644 (Ct. Int’l Trade 1988), *aff’d*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

¹⁷ *Cleo Inc. v. United States*, 501 F.3d 1291, 1298 (Fed. Cir. 2007); *see also Hitachi Metals, Ltd. v.* (Continued...)

in light of the imported articles Commerce has identified.¹⁸ The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of “like” or “most similar in characteristics and uses” on a case-by-case basis.¹⁹ No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.²⁰ The Commission looks for clear dividing lines among possible like products and disregards minor variations.²¹ The Commission may, where appropriate, include domestic articles in the domestic like product in addition to those described in the scope.²²

(...Continued)

United States, Case No. 19-1289, slip op. at 8-9 (Fed. Cir. Feb. 7, 2020) (the statute requires the Commission to start with Commerce’s subject merchandise in reaching its own like product determination).

¹⁸ *Cleo*, 501 F.3d at 1298 n.1 (“Commerce’s {scope} finding does not control the Commission’s {like product} determination.”); *Hosiden Corp. v. Advanced Display Mfrs.*, 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-52 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991) (affirming the Commission’s determination defining six like products in investigations where Commerce found five classes or kinds).

¹⁹ *See, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991) (“every like product determination ‘must be made on the particular record at issue’ and the ‘unique facts of each case’”). The Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996).

²⁰ *See, e.g., S. Rep. No. 96-249 at 90-91 (1979)*.

²¹ *See, e.g., Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748-49; *see also S. Rep. No. 96-249 at 90-91* (Congress has indicated that the like product standard should not be interpreted in “such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not ‘like’ each other, nor should the definition of ‘like product’ be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.”).

²² *See, e.g., Pure Magnesium from China and Israel*, Inv. Nos. 701-TA-403 and 731-TA-895-96 (Final), USITC Pub. 3467 at 8 n.34 (Nov. 2001); *Torrington*, 747 F. Supp. at 748-49 (holding that the Commission is not legally required to limit the domestic like product to the product advocated by the petitioner, co-extensive with the scope).

A. Scope Definition

In its notices of initiation, Commerce defined the imported merchandise within the scope of these investigations as:

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

Subject merchandise includes material matching the above description that has been finished, packaged, or otherwise processed in a third country, including by performing any heat treatment, cutting, upsetting, threading, coupling, or any other finishing, packaging, or processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the OCTG.

Excluded from the scope of the investigations are: casing or tubing containing 10.5 percent or more by weight of chromium; drill pipe; unattached couplings; and unattached thread protectors.²³

The scope language describing the physical attributes of the subject merchandise in these investigations is nearly identical to the scope descriptions of past OCTG investigations and reviews.²⁴ The scope of the current investigations also states that imports of OCTG

²³ *Oil Country Tubular Goods from Argentina, Mexico, and the Russian Federation: Initiation of Less-Than-Fair-Value Investigations*, 86 Fed. Reg. 60205, 60209-60210 (Nov. 1, 2021); *Oil Country Tubular Goods from the Republic of Korea and the Russian Federation: Initiation of Countervailing Duty Investigations*, 86 Fed. Reg. 60210, 60214 (Nov. 1, 2021).

²⁴ *See, e.g., Certain Oil Country Tubular Goods from India, Korea, The Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam*, Inv. Nos. 701-TA-499-500 and 731-TA-1215-1223 (Preliminary), USITC Pub. No. 4422 (Aug. 2013) (“2013 Preliminary Determinations”); *Certain Oil Country* (Continued...)

manufactured in the subject countries but packaged, finished, or processed in third countries are considered to be within the scope.²⁵

OCTG are tubular steel products used in oil and gas wells and include casing and tubing of carbon and alloy steel. Coupling stock is also within Commerce's scope.²⁶

Casing is a circular pipe that serves as the structural retainer for the walls of the well with an outside diameter ("OD") ranging from 4.5 to 20 inches. Casing is used in the well to provide a firm foundation for the drill string by supporting the walls of the hole to prevent caving in both during drilling and after the well is completed. After the casing is set, concrete is usually pumped between the outside of the casing and the wall of the hole to provide a secure anchor. Casing also serves as a surface pipe designed to prevent contamination of the recoverable oil and gas by surface water, gas, sand, or limestone.²⁷

Tubing is a smaller-diameter pipe (between 1.050 and 4.500 inches in OD) installed inside a larger-diameter casing that is used to conduct the oil or gas to the surface either through natural flow or pumping. Tubing must be strong enough to support its own weight, that of the oil or gas, and that of any pumping equipment suspended on the string. Both tubing and casing are usually produced in accordance with American Petroleum Institute ("API") standard 5CT.²⁸

Coupling stock is a seamless tubular product used to make coupling blanks which, in turn, are used to produce coupling. Coupling is a thick-walled internally threaded cylinder that is used for joining two lengths of threaded pipe and typically accounts for 2-3 percent of the weight of end-finished tubing or casing. Couplings are produced and certified to the same API grade and type as the OCTG to which the couplings are joined.²⁹

(...Continued)

Tubular Goods from India, Korea, The Philippines, Taiwan, Thailand, Turkey, Ukraine, and Vietnam, Inv. Nos. 701-TA-499-500 and 731-TA-1215-12217 and 1219 -1223 (Final), USITC Pub. No. 4489 (Sep. 2014) ("2014 Final Determinations"); and *Oil Country Tubular Goods from India, Korea, Turkey, Ukraine, and Vietnam*, Inv. Nos. 701-TA-499-500 and 731-TA-1215-1216, 1221-1223 (Review), USITC Pub. 5090 (Jul. 2020) ("2020 Reviews").

²⁵ See Petitions, Vol. I at 12-13. Petitioners state that this language was added to the scope "in an effort to avoid circumvention." Answers to Staff Questions appended to Petitioners' Postconf. Br. at 1, n.1.

²⁶ CR/PR at I-14 and I-21.

²⁷ CR/PR at I-19.

²⁸ CR/PR at 1-19.

²⁹ CR/PR at I-21.

B. Arguments of the Parties

Petitioners' Arguments. Petitioners argue that the Commission should define a single domestic like product coextensive with Commerce's scope.³⁰ They maintain that there are no clear dividing lines between the products within the scope, including between seamless and welded OCTG,³¹ and between unfinished and finished OCTG.³² Petitioners emphasize that in past OCTG investigations and reviews, involving scopes nearly identical to the scope in the current investigations,³³ the Commission has found a single domestic like product coextensive with the scope.³⁴

Respondents' Arguments. Tenaris agrees with Petitioners' definition of the domestic like product for purposes of the preliminary phase of these investigations.³⁵ The other respondents do not address the issue.

C. Analysis

1. Whether a Clear Line Divides Seamless and Welded OCTG

Physical Characteristics and Uses. The record indicates that seamless and welded OCTG share basic physical characteristics,³⁶ are both generally produced in accordance with API specification 5CT,³⁷ and are both used in drilling for oil or natural gas.³⁸ As the Commission has

³⁰ Petitioners' Postconf. Br. at 5-6; Answers to Staff Questions appended to Petitioners' Postconf. Br at 1-5.

³¹ Petitioners' Postconf. Br. at 5-6; Answers to Staff Questions appended to Petitioners' Postconf. Br at 1-3; Tr. at 59-63 (Bruno and Tait).

³² Petitioners' Postconf. Br. at 5-6; Answers to Staff Questions appended to Petitioners' Postconf. Br at 4-5.

³³ Petitioners state that the only difference between the current scope and past OCTG scopes is the inclusion of the anti-circumvention language previously discussed. See Answers to Staff Questions appended to Petitioners' Postconf. Br at 1, n.1.

³⁴ Answers to Staff Questions appended to Petitioners' Postconf. Br at 1-2 (discussing, e.g., the 2014 Final Determinations and the 2020 Reviews).

³⁵ Tr. at 165 (Spak) ("for ... preliminary purposes, we're willing to take the like product as one like product ... for the purposes of the prelim, we're not going to contest that there's one like product.").

³⁶ CR/PR at Figure I-4 (showing seamless product) and Figure I-5 (showing welded product); Answers to Staff Questions appended to Petitioners' Postconf. Br at 2; Tr. at 59 (Buono).

³⁷ CR/PR at 1-19; Answers to Staff Questions appended to Petitioners' Postconf. Br at 1; Tr. at 56 (Buono) ("We all produce {to} the same API performance properties and certifications ...").

recognized in prior OCTG investigations, the principal physical difference between seamless and welded OCTG is the “weld line,” which is present in welded but not seamless OCTG.³⁹

Manufacturing Facilities, Production Processes and Employees. U.S. mills produce seamless and welded OCTG on separate production lines.⁴⁰ While some firms make both products,⁴¹ others specialize in one or the other.⁴² Seamless OCTG is produced from steel billets that are either pierced or extruded to form a central cavity. Welded OCTG is produced from steel sheet in coil form (referred to as “hot-rolled coil” or “HRC”) that is rolled and the edges of which are heated and welded together to form a hollow shell.⁴³ The welded OCTG production process, known as the electric-resistance-welding (“ERW”) process, entails lower production costs than the seamless OCTG production process.⁴⁴ Although the processes for the initial production of unfinished seamless and welded OCTG are different, the processes for heat treating and otherwise finishing these products are the same.⁴⁵

Channels of Distribution. During the January 2018 - June 2021 period of investigation (“POI”), domestically produced OCTG of all types was primarily sold to ***, with nearly all the remainder sold to ***.⁴⁶

Interchangeability. In past OCTG investigations the Commission has determined that, although there are certain more demanding applications in which only seamless and not welded OCTG can be used, the two products are nonetheless largely interchangeable.⁴⁷ Nothing in the current record suggests that the characteristics or uses of seamless and welded

(...Continued)

³⁸ CR/PR at I-14; Answers to Staff Questions appended to Petitioners’ Postconf. Br at 2; Tr. at 146 (Curá) (“demand for OCTG derives from oil and gas production”).

³⁹ 2013 Preliminary Determinations at 9. Nothing in the current investigations indicates that this has changed.

⁴⁰ CR/PR at I-21-22, Figure I-4 (showing seamless production process), and Figure I-5 (showing welded production process); Answers to Staff Questions appended to Petitioners’ Postconf. Br at 3. There is no information on the record on whether seamless and welded OCTG are produced in the same manufacturing facilities.

⁴¹ Tr. at 59 (Buono) (“we ... make seamless and ERW {i.e., welded} pipe.”).

⁴² Answers to Staff Questions appended to Petitioners’ Postconf. Br at 2.

⁴³ CR/PR at I-22.

⁴⁴ CR/PR at I-21.

⁴⁵ CR/PR at I-25-27; Answers to Staff Questions appended to Petitioners’ Postconf. Br at 3; Tr. at 59 (Buono) (“Once that {welded or seamless} shell has been created, there are basically no differences in the finishing of that product.”).

⁴⁶ CR/PR at Table II-1; Answers to Staff Questions appended to Petitioners’ Postconf. Br at 3; Tr. at 33 (Johnson) (“the U.S. industry goes to market ... through distributors.”).

⁴⁷ See, e.g., 2013 Preliminary Determinations at 10 (“There is a large degree of interchangeability between the two products, although welded OCTG cannot be used in certain demanding applications.”).

OCTG have changed since these prior investigations such that a different conclusion is warranted.⁴⁸ In fact, parties to the current investigations indicate that welded and seamless OCTG remain largely interchangeable, although they disagree as to the degree.⁴⁹

Producer and Customer Perceptions. At the conference, producer and customer witnesses for the Petitioners testified that they view welded and seamless OCTG as interchangeable,⁵⁰ while producer and customer witnesses for Tenaris testified that certain demanding applications require seamless OCTG.⁵¹

Price. Conference testimony indicates that, while seamless OCTG is generally more expensive than welded OCTG,⁵² the difference in the prices for these products diminished over

⁴⁸ See CR/PR at I-14-29. Similar to past investigations, the current record reflects that “{b}oth seamless OCTG and welded OCTG are used in drilling and conveyance applications, although seamless OCTG generally is required for use in high-pressure or sour service environments.” *Id.* at I-14. A “sour service” well contains hydrogen sulfide gas which can potentially result in sulfide stress cracking in the welded seam of welded OCTG. *Id.*

⁴⁹ An industry witness for the Petitioners, while acknowledging that there are certain applications that require seamless OCTG, nonetheless estimated that welded OCTG can be used in 99 percent of the applications in which seamless OCTG is normally used. See Tr. at 60-61 (Buono). While Tenaris disputes Petitioners’ estimation of a 99-percent overlap in end-use applications, and contends that there are “important limitations” on the interchangeability of welded and seamless OCTG, it does not dispute that welded OCTG is interchangeable with seamless OCTG in less-demanding applications, or that seamless OCTG is interchangeable with welded OCTG in all applications. See Tr. at 161 (Curá) (Tenaris executive characterized this estimation as a “misrepresentation”); Answers to Staff Questions appended to Tenaris’ Postconf. Br at Question 2. We also note that, while Tenaris in its postconference brief emphasizes customer testimony and reporting indicating ***, Tenaris does not argue or suggest that these customer testimony and reporting establish that welded and seamless OCTG cannot be used interchangeably in other applications. See Answers to Staff Questions appended to Tenaris’ Postconf. Br at Question 2 (highlighting the conference testimony of rig operator Tap Rock’s representative, as well as the customer report provided by Tenaris at Exhibit 11 to its postconf. brief). We further note that respondent TMK, in its postconference brief, expressly states that seamless and welded OCTG are interchangeable. See TMK’s Postconf. Br. at 11 (“... seamless and welded OCTG are considered interchangeable in their end-use ...”).

⁵⁰ See, e.g., Tr. 46 (Edwards) and 60 (Buono).

⁵¹ See, e.g., Tr. 152 (Lange) (representative of rig operator customer testifying that this operator “requires seamless casing for all its production and deep intermediate sections because it is a higher quality product that is more resistant to corrosion.”); Tr. at 161 (Curá) (producer testifying that “very few, if anybody, would dare to use welded pipe on a highly corrosive environment or also in a high-pressure environment.”). As discussed, Tenaris in its postconference brief provided additional statements from customers regarding ***. See Exhibit 11 to Tenaris’ Postconf. Br.

⁵² Tr. at 62 (Tait) (“ERW {i.e., welded OCTG} in general is sold at a little bit lower price than seamless.”).

the POI.⁵³ Consistent with this testimony, quarterly pricing data on the record does not clearly show that domestically produced seamless OCTG was higher-priced than domestically produced welded OCTG, with domestic welded pricing products achieving higher prices than domestic seamless pricing products in some quarters.⁵⁴

Conclusion. Seamless and welded OCTG share basic physical characteristics and are both used in oil and gas wells. While the processes used in the initial tube formation for seamless and welded OCTG differ, the processes used in finishing them are the same. They share identical channels of distribution. Although seamless OCTG may be required for certain more demanding applications, seamless and welded OCTG are otherwise interchangeable in a large number of applications, as reflected by producer and customer perceptions. Finally, the record indicates that the traditional price premium for seamless OCTG relative to welded OCTG diminished over the POI. In light of the preponderance of similarities between seamless and welded OCTG, and in the absence of any contrary argument, we define seamless and welded OCTG as a single domestic like product.

2. Whether a Clear Line Divides Unfinished OCTG from Finished OCTG

The scope includes both unfinished and finished OCTG. OCTG that “are not heat treated (*e.g.*, green tube) or are not at their final grade (*i.e.*, upgradeable)” are considered unfinished, while OCTG that “are heat treated or are at their final grade” are considered finished.⁵⁵ Because the question of whether unfinished OCTG should be treated as a separate like product from finished OCTG involves a comparison of articles at different stages of processing, we analyze this issue using the semi-finished product analysis.⁵⁶

⁵³ See Tr. at 62 (Buono) (“... in markets like we've experienced in 2019, 2020, and 2021, you know, all prices tended to get to the same low point. There is no ability to get a premium for a seamless versus an ERW product.”).

⁵⁴ CR/PR at Tables V-6-11.

⁵⁵ Producer Questionnaires at V-1.

⁵⁶ In a semi-finished products analysis, the Commission examines the following: (1) the significance and extent of the processes used to transform the upstream into the downstream articles; (2) whether the upstream article is dedicated to the production of the downstream article or has independent uses; (3) differences in the physical characteristics and functions of the upstream and downstream articles; (4) whether there are perceived to be separate markets for the upstream and downstream articles; and (5) differences in the costs or value of the vertically differentiated articles. See, *e.g.*, *Fluid End Blocks from China, Germany, India, and Italy*, Inv. Nos. 701-TA-632–635 and 731-TA-1466–1468 (Preliminary), USITC Pub. 5017 (Feb. 2020) at 10–12; *Steel Trailer Wheels from China*, Inv. Nos. 701-TA-609 and 731-TA-1421 (Preliminary), USITC Pub. 4830 (Oct. 2018) at 8–10; *Glycine from* (Continued...)

Dedication for Use. All responding U.S. producers reported that unfinished OCTG is dedicated to the production of finished OCTG.⁵⁷

Separate Markets. All but one domestic producer reported that there is no separate market for unfinished OCTG that is distinct from the market for finished OCTG.⁵⁸ Responding domestic producers generally reported that unfinished OCTG must be finished, through heat treating and threading, prior to sale.⁵⁹

Differences in Physical Characteristics and Functions of the Upstream and Downstream Articles. Unfinished OCTG is produced to a customer's specifications, typically meeting certain basic API requirements such as those for diameter and wall thickness, so that the unfinished OCTG can be converted into the required finished OCTG product.⁶⁰ Thus, the specific characteristics of the unfinished OCTG impart essential characteristics to the finished OCTG. Nevertheless, all but one domestic producer reported that there are differences in the physical characteristics of unfinished OCTG and finished OCTG.⁶¹ In describing these differences, domestic producers ***.⁶²

Differences in the Costs or Value. All responding domestic producers reported that there are differences in the costs of unfinished and finished OCTG.⁶³ In explaining the higher cost of finished OCTG relative to unfinished OCTG, domestic producers ***.⁶⁴

Significance and Extent of Processes Used to Transform Upstream Product into Downstream Product. All but one responding U.S. producer described the processes used to transform unfinished OCTG into finished OCTG as labor or capital intensive.⁶⁵ In explaining the significance of the operations required to transform unfinished OCTG into finished OCTG, responding domestic producers ***.⁶⁶

Conclusion. Most domestic producers reported that unfinished OCTG is dedicated to the production of finished OCTG and that there is no separate market for unfinished OCTG.

(...Continued)

India, Japan, and Korea, Inv. Nos. 731-TA-1111-1113 (Preliminary), USITC Pub. No. 3921 at 7 (May 2007); *Artists' Canvas from China*, Inv. No. 731-TA-1091 (Final), USITC Pub. No. 3853 at 6 (May 2006).

⁵⁷ CR/PR at Table E-1.

⁵⁸ CR/PR at Table E-1.

⁵⁹ CR/PR at Table E-2.

⁶⁰ CR/PR at I-20.

⁶¹ CR/PR at Table E-1.

⁶² CR/PR at Table E-2.

⁶³ CR/PR at Table E-1.

⁶⁴ CR/PR at Table E-2.

⁶⁵ CR/PR at Table E-1.

⁶⁶ CR/PR at Table E-2.

Further, the record also shows that unfinished OCTG imparts essential physical characteristics to finished OCTG. On the other hand, most domestic producers reported that there are differences in the costs and physical characteristics of unfinished and finished OCTG, and that the process of transforming the former into the latter is capital and labor intensive. On balance, based on the record of the preliminary phase of the investigations, and in the absence of any contrary argument, we define unfinished and finished OCTG as a single domestic like product.

In sum, we define a single domestic like product consisting of all domestically produced OCTG, coextensive with the scope, for purposes of the preliminary phase of the investigations.

IV. Domestic Industry

The domestic industry is defined as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”⁶⁷ In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

These investigations raise two domestic industry issues. The first concerns whether processors, which heat treat unfinished OCTG to produce finished OCTG,⁶⁸ on a tolling or non-tolling basis,⁶⁹ engage in sufficient production-related activities to qualify as domestic producers. The second concerns whether appropriate circumstances exist to exclude any domestic producers from the domestic industry pursuant to the related parties provision.

⁶⁷ 19 U.S.C. § 1677(4)(A).

⁶⁸ After OCTG pipe is formed through the mill process, the pipe body can be heat treated as part of its finishing phase. CR/PR at I-25. Heat treatment enhances particular physical characteristics, including yield and tensile strengths. *Id.* at I-20. Generally, as the depth and pressure in a well increases, heat treated OCTG would be required because of its higher strength. *Id.* The various forms of heat treatment include annealing, normalizing, quenching, and tempering. *Id.* at I-25.

⁶⁹ In a tolling arrangement, the tollee provides the input material (retaining title to the input) to the toller. CR/PR at VI-30. The toller, in turn, processes the input to the desired form and quality. *Id.* In the case of OCTG, the toll processing that is performed is typically that of heat-treating unfinished OCTG (green tube) to its final API grade. *Id.*

A. Sufficient Production-Related Activities

In deciding whether a firm qualifies as a domestic producer of the domestic like product, the Commission generally analyzes the overall nature of a firm's U.S. production-related activities, although production-related activity at minimum levels could be insufficient to constitute domestic production.⁷⁰

1. Arguments of the Parties

Petitioners' Arguments. Petitioners state that "for purposes of the preliminary phase of these investigations, Petitioners take the position that OCTG is produced by a domestic industry comprised of all U.S. mills and processors engaged in heat treatment."⁷¹ Petitioners acknowledge that in prior OCTG investigations, the Commission has "expressly addressed" this issue, and has concluded that domestic heat treaters engage in sufficient production-related activities to be considered part of the domestic industry.⁷²

Respondents' Arguments. Tenaris indicated at the conference that it agrees for purposes of the preliminary phase with the inclusion of heat treaters in the domestic industry.⁷³ The other respondents do not address the issue.

2. Analysis

In prior OCTG investigations involving scopes that were nearly identical to the scope of the current investigations, the Commission determined that processors that heat treated unfinished OCTG engaged in sufficient production-related activities to qualify as domestic

⁷⁰ 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. *Crystalline Silicon Photovoltaic Cells and Modules from China*, Inv. Nos. 701-TA-481 and 731-TA-1190 (Final), USITC Pub. 4360 at 12-13 (Nov. 2012), *aff'd*, 100 F. Supp. 3d 1314 (Ct. Int'l Trade 2015), *aff'd*, 879 F.3d 1377 (Fed. Cir. 2018).

⁷¹ Petitioners' Postconf. Br. at 5.

⁷² Answers to Staff Questions appended to Petitioners' Postconf. Br at 6-7 (*citing, e.g.,* the 2014 Final Determinations).

⁷³ Tr. at 180 (Spak) ("We know that in the past the processors have been part of the U.S. industry ... we're fine with that also for the prelim.").

producers.⁷⁴ As discussed below, the record of the preliminary phase of the current investigations provides no basis for treating processors differently than U.S. mills.

Source and extent of the firm's capital investment. U.S. non-toll processors' capital investments ranged from \$*** during the 2018-2020 period, and U.S. toll processors' capital investments ranged from \$*** during this period.⁷⁵ U.S. mills' capital investments ranged from \$*** over the period.⁷⁶

Technical expertise involved. All responding heat treaters rated the complexity of their operations as either *** on a 1-5 scale, with 1 being the least complex and 5 being the most complex.⁷⁷ Heat treater *** reported that its activities involve "****".⁷⁸ It also reported that its production operations ***.⁷⁹ Heat treater *** reported that its activities require it to ***.⁸⁰ Nevertheless, the hourly wages paid to production-related workers ("PRWs") at processors over the POI were *** than the hourly wages paid to PRWs at U.S. mills over this period.⁸¹

Value added to the product in the United States. The value added by U.S. non-toll processors ranged from *** percent, and the value added by U.S. toll processors ranged from *** percent.⁸² The value added by U.S. mills ranged from *** percent.⁸³ Responding domestic producers generally emphasized the ***.⁸⁴

⁷⁴ 2013 Preliminary Determinations at 13-14; 2014 Final Determinations at 12-14.

⁷⁵ CR/PR at Table III-7. Due to the way data were reported, the capital investments of non-toll processors reflect the data of ***. *Id.* at Note to Table III-7.

⁷⁶ CR/PR at Table III-7. A portion of U.S. mills' capital investments may in fact be capital investments in heat treatment operations, as many of the responding mills are integrated producers engaged in both tube forming and heat treatment. *Id.* at Note to Table III-6. *See also* CR/PR at Table IV-8 (*** percent of U.S. mill shipments in 2020 were finished).

⁷⁷ CR/PR at Tables III-6. The note to Table III-6 identifies *** as the responding processors. *** rated the complexity of its operations a ***; *** rated the complexity of its operations a ***; *** rated the complexity of its operations a ***; and *** did not provide a rating of the complexity of its operations. CR/PR at Table III-6.

⁷⁸ CR/PR at Table G-9.

⁷⁹ CR/PR at Table G-9.

⁸⁰ CR/PR at Table G-7.

⁸¹ Hourly wages paid to PRWs at U.S. toll processors were \$*** in 2018, \$*** in 2019, and \$*** in 2020; they were \$*** in January-June ("interim") 2020, and \$*** in interim 2021. CR/PR at Table III-31. Hourly wages paid to PRWs at U.S. non-toll processors were \$*** in 2018, \$*** in 2019, and \$*** in 2020; they were \$*** in interim 2020 and \$*** in interim 2021. *Id.* at Table III-30. Hourly wages paid to PRWs at U.S. mills were \$33.96 in 2018, \$35.89 in 2019, and \$39.48 in 2020; they were \$40.26 in interim 2020, and \$37.80 in interim 2021. *Id.* at Table III-29.

⁸² CR/PR at Table III-7.

⁸³ CR/PR at Table III-7. The value added that was reported by U.S. mills likely includes the value added by heat treatment, as many of the responding mills are integrated producers engaged in both (Continued...)

Employment levels. The number of PRWs employed by non-toll processors was *** in 2018, *** in 2019, and *** in 2020; it was *** in interim 2021, compared to *** in interim 2020.⁸⁵ The number of PRWs employed by toll processors was *** in 2018, *** in 2019, and *** in 2020; it was *** in interim 2021, compared to *** in interim 2020.⁸⁶ The number of PRWs employed by U.S. mills was 6,269 in 2018, 6,468 in 2019, and 3,481 in 2020; it was 3,147 in interim 2021, compared to 4,628 in interim 2020.⁸⁷

Quantity and type of parts sourced in the United States. The value of U.S. non-toll processors' domestically sourced raw materials ranged from \$*** from 2018 to 2020, and the value of U.S. toll processors' domestically-sourced raw materials ranged from \$*** over this period.⁸⁸ While the range of raw material values reported by U.S. mills was ***,⁸⁹ the extent to which these raw materials were sourced in the United States is unclear.⁹⁰

Conclusion. We find for purposes of the preliminary phase of these investigations that heat treaters engage in sufficient production-related activities to be considered domestic producers. While the hourly wages paid to PRWs by heat treaters were *** than the hourly wages paid to PRWs by mills, heat treaters still rated their production-related activities as highly complex, indicating that heat treatment operations require a significant degree of technical expertise. Likewise, processors reported substantial levels of capital investment and employment, and that the value added by their heat treatment operations was significant, ranging from *** to *** percent. Although U.S. mills reported higher capital investment, employment, and value added, several of the responding mills are integrated producers with their own heat treatment operations, which would account for a portion of their reported capital investments, employment, and value added. Finally, processors, including both toll and non-toll heat treaters, reported that the value of their domestically sourced raw materials was

(...Continued)

tube forming and heat treatment. *Id.* at Note to Table III-6. *See also* CR/PR at Table IV-8 (**% percent of U.S. mill shipments in 2020 were finished).

⁸⁴ CR/PR at Table E-2.

⁸⁵ CR/PR at Table III-30.

⁸⁶ CR/PR at Table III-31.

⁸⁷ CR/PR at Table III-29. A portion of the PRWs employed by U.S. mills may be employed in heat treatment activities, as many of the responding mills are integrated producers engaged in both tube forming and heat treatment. *Id.* at Note to Table III-6. *See also* CR/PR at Table IV-8 (**% percent of U.S. mill shipments in 2020 were finished).

⁸⁸ CR/PR at Table III-7.

⁸⁹ The value of U.S. mills' reported raw materials ranged from \$*** for 2018-2020. CR/PR at III-7.

⁹⁰ *See* CR/PR at Note to Table III-7 (stating that the range of values for US. mills' raw material costs presented in the Table "assume that all reported raw materials are domestic." (emphasis added)).

substantial. Based on these considerations, and in the absence of any contrary argument, we find for purposes of the preliminary phase that heat treaters engage in sufficient production-related activities to constitute part of the domestic industry.

B. Related Parties

We must also determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to Section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.⁹¹ Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.⁹²

Based on the record of the preliminary phase of the investigations, four U.S. producers (***) are subject to possible exclusion from the domestic industry under the related parties provision because they each imported subject merchandise during the POI.⁹³ Three of these four firms, *** are additionally subject to possible exclusion under the related parties provision because they are related to exporters or importers of subject merchandise through common ownership and control.^{94 95}

⁹¹ See *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); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem.*, 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

⁹² The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

- (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 (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);
- (3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;
- (4) the ratio of import shipments to U.S. production for the imported product; and
- (5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31 (Ct. Int'l. Trade 2015), *aff'd*, 879 F.3d 1377 (Fed. Cir. 2018); *see also Torrington Co. v. United States*, 790 F. Supp. at 1168.

⁹³ CR/PR at III-6. ***.

⁹⁴ *** is a sister company of *** and ***, both of which export subject merchandise to the United States. See CR at Table III-4; *** foreign producer questionnaire response, EDIS Doc. ***, at I-4; *** foreign producer questionnaire response, EDIS Doc. ***, at I-4. *** is affiliated through the *** with ***, which exports subject merchandise to the United States, and with ***. See CR/PR at Table III- (Continued...)

1. Arguments of the Parties

Petitioners' Arguments. While Petitioners identify SeAH Steel and Tenaris USA as related parties, they do not argue for either firm's exclusion from the domestic industry.⁹⁶ Nevertheless, Petitioners caution that the Commission should consider their place in the domestic industry "with skepticism," arguing that "SeAH's ***," and that "****."⁹⁷

Respondents' Arguments. The respondents do not address the issue.

2. Analysis

We discuss below for each of the related party producers whether appropriate circumstances exist to exclude it from the domestic industry.

***. *** accounted for *** percent of U.S. mill production in 2020, making it the *** largest domestic producer of OCTG.⁹⁸ It *** the petitions.⁹⁹ *** imports of subject merchandise were *** short tons in 2018 and *** short tons in 2019, with *** reported for the remainder of the POI.¹⁰⁰ The ratio of its subject imports to U.S. mill production was *** percent in 2018, *** percent in 2019, and *** percent in 2020 and over the interim periods.¹⁰¹ *** indicated that ***.¹⁰²

Given *** ratio of subject imports to U.S. production over the POI, its primary interest appears to be in domestic production. We find that appropriate circumstances do not exist to exclude *** from the domestic industry as a related party.

(...Continued)

4; *** U.S. producer questionnaire response, EDIS Doc. ***, at I-6. *** is a member of the same corporate group as ***, which exports subject merchandise to the United States. See CR/PR at Table III-4; *** U.S. producer questionnaire response, EDIS Doc. ***, at I-6.

⁹⁵ An additional firm, ***, is also related to an importer of OCTG from a subject source. See CR/PR at Table III-3. However, the information available indicates that this importer only brings *** into the United States, articles explicitly excluded from the scope of the investigations. *Id.*

⁹⁶ Petitioners' Postconf. Br. at 9. Instead, Petitioners state that "the Commission may include {SeAH Steel and Tenaris USA} in the domestic industry when assessing injury." *Id.*

⁹⁷ Petitioners' Postconf. Br. at 9.

⁹⁸ CR/PR at Table III-1.

⁹⁹ CR/PR at Table III-1.

¹⁰⁰ CR/PR at Table III-18.

¹⁰¹ CR/PR at Table III-8.

¹⁰² CR/PR at Table III-28. *** operating income to net sales ratio was *** than the industry average throughout the POI. CR/PR at Table VI-7. As a ratio to net sales, *** operating income was *** percent in 2018, *** percent in 2019, and *** percent in 2020; it was *** percent in interim 2020 and *** percent in interim 2021. *Id.*

***. In 2019, the last year prior to ***, *** share of domestic mill production was *** percent, making it the *** largest domestic OCTG producer that year.¹⁰³ ***.¹⁰⁴ *** imports of subject merchandise were *** short tons in 2018 and *** short tons in 2019.¹⁰⁵ The ratio of its subject imports to U.S. mill production was *** percent in 2018, and *** percent in 2019.¹⁰⁶

During the 2018-2019 period in which ***, its primary interest appears to have been in domestic production, given its *** ratio of subject imports to U.S. production. We find that appropriate circumstances do not exist to exclude *** from the domestic industry as a related party.

***. *** accounted for *** percent of U.S. mill production in 2020, making it the *** largest domestic producer of OCTG.¹⁰⁷ It ***.¹⁰⁸ *** imports of subject merchandise were *** short tons in 2018, *** short tons in 2019, and *** short tons in 2020; they were *** short tons in interim 2021, compared to *** short tons in interim 2020.¹⁰⁹ The ratio of its subject imports to U.S. mill production was *** percent in 2018, *** percent in 2019, and *** percent in 2020; it was *** percent in interim 2021, compared to *** percent in interim 2020.¹¹⁰

*** ratio of subject imports to domestic production, although ***, declined irregularly between 2018 and 2020. Moreover, *** increased its U.S. production of OCTG and made substantial capital expenditures in the United States during the POI, particularly in 2019,¹¹¹ in order to ***.¹¹² This suggests a commitment to domestic production. Although the question is a close one, for purposes of the preliminary phase, and in the absence of any arguments to the

¹⁰³ CR/PR at Table III-8.

¹⁰⁴ *** U.S. producer questionnaire response, EDIS Doc. ***, at I-4.

¹⁰⁵ CR/PR at Table III-22.

¹⁰⁶ CR/PR at Table III-22. *** did not report its reasons for importing subject merchandise. *Id.* at Table III-28 note. *** operating income to net sales ratio was *** than the industry average in 2018, and *** than the industry average in 2019. CR/PR at Table VI-7. As a ratio to net sales, *** operating income was *** percent in 2018 and *** percent in 2019. *Id.*

¹⁰⁷ CR/PR at Table III-1.

¹⁰⁸ *** U.S. producer questionnaire response, EDIS Doc. ***, at I-4.

¹⁰⁹ CR/PR at Table III-24. *** did not report its reasons for importing subject merchandise. *Id.* at Table III-28 note.

¹¹⁰ CR/PR at Table III-24. *** operating income to net sales ratio was *** than the industry average in 2018, but *** in other periods. CR/PR at Table VI-7. As a ratio to net sales, *** operating income was *** percent in 2018, *** percent in 2019, and *** percent in 2020; it was *** percent in interim 2020 and *** percent in interim 2021. *Id.*

¹¹¹ CR/PR at Table VI-15. *** capital expenditures were \$*** in 2018, \$*** in 2019, and \$*** in 2020; they were \$*** in interim 2020 and \$*** in interim 2021. *Id.*

¹¹² CR/PR at Table VI-16.

contrary, we find that appropriate circumstances do not exist to exclude *** from the domestic industry.

***. *** accounted for *** percent of U.S. mill production in 2020, making it the *** largest domestic producer of OCTG.¹¹³ ***.¹¹⁴ *** imports of subject merchandise were *** short tons in 2018, *** short tons in 2019, and *** short tons in 2020; they were *** short tons in interim 2021, compared to *** short tons in interim 2020.¹¹⁵ The ratio of its subject imports to its U.S. mill production was *** percent in 2018, *** percent in 2019, and *** percent in 2020; it was *** percent in interim 2021, compared to *** percent in interim 2020.¹¹⁶ *** indicated that ***.¹¹⁷

*** ratio of subject imports to domestic production, though initially ***, declined substantially between 2018 and 2020. Furthermore, *** ranks among the largest domestic OCTG producers, and made *** capital expenditures in the United States throughout the POI, including by ***.¹¹⁸ This reflects a commitment to domestic production. We find that appropriate circumstances do not exist to exclude *** from the domestic industry as a related party.

In sum, we find that appropriate circumstances do not exist to exclude *** from the domestic industry for purposes of the preliminary phase of the investigations. Accordingly, based on our definition of the domestic like product, we define the domestic industry to include all U.S. producers of OCTG.

¹¹³ CR/PR at Table III-1.

¹¹⁴ *** U.S. producer questionnaire response, EDIS Doc. ***, at I-4.

¹¹⁵ CR/PR at Table III-25.

¹¹⁶ CR/PR at Table III-25.

¹¹⁷ CR/PR at Table III-28. *** operating income to net sales ratio was *** than the industry average throughout the POI. CR/PR at Table VI-7. As a ratio to net sales, *** operating income was *** percent in 2018, *** percent in 2019, and *** percent in 2020; it was *** percent in interim 2020 and *** percent in interim 2021. *Id.*

¹¹⁸ CR/PR at Table VI-16. *** capital expenditures were \$*** in 2018, \$*** in 2019, and \$*** in 2020; they were \$*** in interim 2020 and \$*** in interim 2021. *Id.* at Table VI-15.

V. Cumulation¹¹⁹

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

- (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
- (2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;
- (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and
- (4) whether the subject imports are simultaneously present in the market.¹²⁰

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for

¹¹⁹ Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible. 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B).

During the 12-month period (October 2020 through September 2021) preceding the filing of the petitions, subject imports from Argentina accounted for 8.4 percent of total U.S. imports of OCTG, subject imports from Mexico for 18.7 percent, subject imports from Russia (for both the countervailing and antidumping duty investigations) for 7.1 percent, and subject imports from South Korea for 31.2 percent. CR/PR at Table IV-6. As imports for each subject investigation exceed the statutory negligibility threshold, we find that subject imports for each of the subject investigations are not negligible.

¹²⁰ See *Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), *aff'd*, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int'l Trade), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

determining whether the subject imports compete with each other and with the domestic like product.¹²¹ Only a “reasonable overlap” of competition is required.¹²²

A. Arguments of the Parties

Petitioners’ Arguments. Petitioners argue that the Commission should cumulate subject imports because the petitions were filed on the same day and there is a reasonable overlap of competition between and among subject imports from each source and the domestic like product.¹²³ In this regard, Petitioners argue that subject imports from each source are fungible with both each other and the domestic like product, claiming that the record supports the Commission’s recognition in prior investigations “that welded and seamless OCTG are interchangeable.”¹²⁴ Petitioners also argue that subject imports from each source and the domestic like product are sold in the same channels of distribution, ***,¹²⁵ overlap geographically,¹²⁶ and were simultaneously present in the U.S. market.¹²⁷

Respondents’ Arguments. Tenaris argues that subject imports from South Korea should not be cumulated with subject imports from Argentina and Mexico.¹²⁸ It contends that, while subject imports from South Korea are largely welded OCTG sold to distributors, subject imports from Argentina and Mexico are largely seamless OCTG sold to end users.¹²⁹ Tenaris likewise argues that subject imports from South Korea should not be cumulated with subject imports from Russia because subject imports from Russia compete in a similar manner as subject imports from Argentina and Mexico ***,¹³⁰

TMK makes two arguments against the cumulation of subject imports from South Korea with imports from other subject countries. First, TMK argues that the 19 U.S.C. §

¹²¹ See, e.g., *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

¹²² The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act (URAA), expressly states that “the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition.” H.R. Rep. No. 103-316, Vol. I at 848 (1994) (citing *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. at 902; see *Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int’l Trade 1998) (“cumulation does not require two products to be highly fungible”); *Wieland Werke, AG*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”)).

¹²³ Petitioners’ Postconf. Br. at 6-11.

¹²⁴ Petitioners’ Postconf. Br. at 8-9.

¹²⁵ Petitioners’ Postconf. Br. at 10.

¹²⁶ Petitioners’ Postconf. Br. at 10.

¹²⁷ Petitioners’ Postconf. Br. at 11.

¹²⁸ Tenaris’ Postconf. Br. at 18-21.

¹²⁹ Tenaris’ Postconf. Br. at 18-21.

¹³⁰ Tenaris’ Postconf. Br. at 22.

1677(7)(G)(i)(I) threshold requirement for the cumulation of subject imports from South Korea with the other subject imports has not been met because the antidumping duty petition concerning OCTG from South Korea was filed “years earlier.”¹³¹ Second, TMK argues that even if the Commission determines the threshold requirement to be satisfied, it still should not cumulate subject imports from South Korea with the other subject imports because subject imports from Korea are subject to an antidumping duty order and consisted primarily of welded OCTG, which were affected by the “skyrocketing” cost of HRC, whereas other subject imports consisted primarily of seamless OCTG.¹³²

B. Analysis and Conclusion

We consider subject imports from Argentina, Mexico, Russia, and South Korea on a cumulated basis because the statutory criteria for cumulation are satisfied,¹³³ and the record reflects a reasonable overlap of competition between and among subject imports from each source and the domestic like product.

Threshold Requirement. The statutory threshold for cumulation is satisfied because the antidumping duty petitions concerning OCTG from Argentina, Mexico, and Russia, and the countervailing duty petitions concerning OCTG from Russia and South Korea, were all filed on the same day, October 6, 2021. Contrary to TMK’s argument, the prior antidumping duty petition concerning OCTG from South Korea, filed in 2013, is irrelevant to the Commission’s analysis of whether the petitions relating to the current investigations were filed on the same day.¹³⁴ As the threshold requirement is satisfied, we proceed to examine whether there is a reasonable overlap of competition between and among subject imports from each source and the domestic like product.

Fungibility. Substantial majorities of responding producers and importers, when comparing the domestic like product with imports of OCTG from each subject country and when comparing imports from the subject countries with each other, reported that these

¹³¹ TMK’s Postconf. Br. at 22. The antidumping duty petition concerning OCTG from South Korea was filed in 2013. See *Certain Oil Country Tubular Goods from India, Korea, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam; Scheduling of the Final Phase of Countervailing Duty and Antidumping Investigations*, 79 Fed. Reg. 19122 (Apr. 7, 2014).

¹³² TMK’s Postconf. Br. at 6. The antidumping duty order on OCTG from South Korea was recently continued. See *Oil Country Tubular Goods from India, the Republic of Korea, the Republic of Turkey, Ukraine, and the Socialist Republic of Vietnam: Continuation of Antidumping and Countervailing Duty Orders*, 85 Fed. Reg. 48665 (Aug. 12, 2020).

¹³³ None of the statutory exceptions to cumulation applies.

¹³⁴ 19 U.S.C. § 1677(7)(G)(i)(I).

products are always or frequently interchangeable.¹³⁵ Likewise, substantial majorities of producers and importers reported that factors other than price are only sometimes or never significant in customers' purchasing decisions when choosing between and among imports from each subject country and the domestic like product.¹³⁶ Moreover, OCTG, regardless of source, is generally produced in accordance with API standards.¹³⁷ We also note that in 2020, imports from each subject country and the domestic like product consisted of both welded and seamless OCTG and both finished and unfinished OCTG, with the exception that there were no imports of welded OCTG from Argentina that year.¹³⁸

We are unpersuaded by Tenaris' argument that subject imports from South Korea are not fungible with other subject imports. The vast majority of responding producers and importers, when comparing subject imports from South Korea with the subject imports from the other subject countries, reported that these imports are always or frequently interchangeable with one another.¹³⁹ Furthermore, the vast majority of responding producers and importers also reported that differences other than price are only sometimes or never significant in customers' purchasing decisions when choosing between subject imports from South Korea and subject imports from other countries.¹⁴⁰

Although subject imports from South Korea primarily comprise welded OCTG, whereas subject imports from other countries primarily comprise seamless OCTG,¹⁴¹ the record shows that these differences do not limit the fungibility between these subject imports. Welded OCTG accounted for nearly half of subject imports from Russia in 2020, and an appreciable volume of

¹³⁵ CR/PR at Tables II-12-13.

¹³⁶ CR/PR at Tables II-14-15.

¹³⁷ CR/PR at I-19. An exception is "limited service" OCTG, which is OCTG that does not meet API specifications, but which can still be used in certain OCTG applications. *Id.* at I-21.

¹³⁸ CR/PR at Tables IV-7-8.

¹³⁹ Specifically, in comparing subject imports from South Korea and Argentina, 9 of 10 producers and 10 of 13 importers reported that they are always or frequently interchangeable; in comparing subject imports from South Korea and Mexico, 9 of 10 producers and 9 of 13 importers reported that they are always or frequently interchangeable; and in comparing subject imports from South Korea and Russia, 10 of 10 producers and 12 of 14 importers reported that they are always or frequently interchangeable. *See* CR/PR at Tables II-12-13.

¹⁴⁰ Specifically, in comparing subject imports from South Korea and Argentina, 7 of 8 producers and 9 of 11 importers reported that differences other than price are only sometimes or never significant; in comparing subject imports from South Korea and Mexico, 7 of 8 producers and 8 of 11 importers reported that differences other than price are only sometimes or never significant; and in comparing subject imports from South Korea and Russia, 8 of 8 producers and 11 of 12 importers reported that differences other than price are only sometimes or never significant. *See* CR/PR at Tables II-14-15.

¹⁴¹ CR/PR at Table IV-7.

subject imports from Mexico as recently as 2018.¹⁴² Furthermore, while the parties disagree on the degree, they do not dispute that welded OCTG can be substituted for seamless OCTG in many applications, or that seamless OCTG can be substituted for welded OCTG in all applications.^{143 144}

Channels of Distribution. Domestic producers primarily sold OCTG to *** over the POI while also selling a smaller amount to ***.¹⁴⁵ Importers of subject merchandise from Russia and South Korea likewise primarily sold OCTG to *** while also selling a smaller amount to ***.¹⁴⁶ Importers of subject merchandise from Argentina and Mexico primarily sold OCTG to *** while also selling a smaller amount to ***.¹⁴⁷ Thus, the domestic like product and subject imports from each country source were sold to both *** and *** over the POI.¹⁴⁸

Geographic Overlap. Domestically produced OCTG and subject imports from both Argentina and Mexico were sold throughout the United States over the POI.¹⁴⁹ Subject imports from Russia were sold in the Northeast and Central Southwest regions, and subject imports from South Korea were sold in the Northeast, Midwest, Southeast, Central Southwest and Mountain regions.¹⁵⁰

Simultaneous Presence in Market. The domestic like product and subject imports from all subject countries were simultaneously present in 36 of the 42 months of the January 2018 - June 2021 POI.¹⁵¹

¹⁴² CR/PR at Table IV-7 (Russia) and Table IV-5 (Mexico, 2018).

¹⁴³ As discussed above, an industry witness for the Petitioners testified that welded OCTG can be used in 99 percent of applications in which seamless OCTG is normally used. Tr. at 61 (Buono). Tenaris, on the other hand, highlighted the testimony and statements of its customers indicating that seamless OCTG is needed for certain more demanding applications. Answers to Staff Questions appended to Tenaris' Postconf. Br at Question 2; Ex. 11 to Tenaris' Postconf. Br.

¹⁴⁴ In recent determinations for five-year reviews of orders covering OCTG, the Commission found that, while subject imports from certain sources may primarily or exclusively consist of welded OCTG, and subject imports from other sources may primarily or exclusively consist of seamless OCTG, this "does not meaningfully limit . . . fungibility" between the imports. 2020 Reviews at 16.

¹⁴⁵ CR/PR at Table II-1.

¹⁴⁶ CR/PR at Table II-1.

¹⁴⁷ CR/PR at Table II-1.

¹⁴⁸ We are unpersuaded by Tenaris' argument that subject imports from South Korea do not sufficiently share channels of distribution with subject imports from Argentina and Mexico. A *** share of subject imports from Mexico, and *** share of subject imports from Argentina, were sold to distributors, as were *** subject imports from South Korea. CR/PR at Table II-1. Furthermore, *** subject imports from Russia were sold to distributors. *Id.*

¹⁴⁹ CR/PR at Table II-2.

¹⁵⁰ CR/PR at Table II-2.

¹⁵¹ CR/PR at Table IV-10.

Conclusion. Subject imports from Argentina, Mexico, Russia, and South Korea are generally fungible both with each other and with the domestic like product. Subject imports from each country source and the domestic like product also overlap with respect to channels of distribution and geographic markets, particularly in the Northeast and Central Southwest regions. Finally, subject imports from each country source and the domestic like product were simultaneously present throughout almost the entire POI. In light of the foregoing, we find that there is a reasonable overlap of competition between and among the domestic like product and subject imports from each country source.¹⁵² We therefore cumulate subject imports from Argentina, Mexico, Russia, and South Korea for purposes of analyzing present material injury in the preliminary phase of these investigations.¹⁵³

VI. Reasonable Indication of Material Injury by Reason of Subject Imports

A. Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.¹⁵⁴ In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.¹⁵⁵ The statute defines “material injury” as “harm which is not inconsequential,

¹⁵² TMK’s argument that the Commission should not cumulate OCTG imports from South Korea because they are subject to antidumping duties while the other subject imports are not, and because the raw material costs for welded OCTG increased over the POI, is unpersuasive. TMK does not explain how these considerations could detract from a finding that there is a reasonable overlap of competition between the subject imports from South Korea and the other subject imports under the factors considered by the Commission.

¹⁵³ Tenaris’ argument that subject imports from Russia should not be cumulated with subject imports from South Korea because subject imports from Russia compete in a similar manner as subject imports from Argentina and Mexico is unpersuasive. Tenaris’ Postconf. Br. at 22. As discussed, there is a reasonable overlap in competition between subject imports from Argentina and Mexico and subject imports from South Korea.

¹⁵⁴ 19 U.S.C. §§ 1671b(a), 1673b(a).

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

immaterial, or unimportant.”¹⁵⁶ In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.¹⁵⁷ No single factor is dispositive, and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”¹⁵⁸

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is “materially injured or threatened with material injury by reason of” unfairly traded imports,¹⁵⁹ it does not define the phrase “by reason of,” indicating that this aspect of the injury analysis is left to the Commission’s reasonable exercise of its discretion.¹⁶⁰ In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the “by reason of” standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.¹⁶¹

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby

¹⁵⁶ 19 U.S.C. § 1677(7)(A).

¹⁵⁷ 19 U.S.C. § 1677(7)(C)(iii).

¹⁵⁸ 19 U.S.C. § 1677(7)(C)(iii).

¹⁵⁹ 19 U.S.C. §§ 1671b(a), 1673b(a).

¹⁶⁰ *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) (“{T}he statute does not ‘compel the commissioners’ to employ {a particular methodology}.”), *aff’g*, 944 F. Supp. 943, 951 (Ct. Int’l Trade 1996).

¹⁶¹ The Federal Circuit, in addressing the causation standard of the statute, observed that “{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement.” *Nippon Steel Corp. v. USITC*, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was further ratified in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), where the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that “this court requires evidence in the record ‘to show that the harm occurred ‘by reason of’ the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.’” *See also Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass’n v. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.¹⁶² In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.¹⁶³ Nor does the “by reason of” standard require that unfairly traded imports be the “principal” cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.¹⁶⁴ It is clear that the existence of injury caused by other factors does not compel a negative determination.¹⁶⁵

Assessment of whether material injury to the domestic industry is “by reason of” subject imports “does not require the Commission to address the causation issue in any particular way” as long as “the injury to the domestic industry can reasonably be attributed to the subject

¹⁶² SAA at 851-52 (“{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.”); S. Rep. 96-249 at 75 (1979) (the Commission “will consider information which indicates that harm is caused by factors other than less-than-fair-value imports.”); H.R. Rep. 96-317 at 47 (1979) (“in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;” those factors include “the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry”); *accord Mittal Steel*, 542 F.3d at 877.

¹⁶³ SAA at 851-52 (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports.”); *Taiwan Semiconductor Industry Ass’n*, 266 F.3d at 1345 (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.” (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int’l Trade 2002) (“{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury” or make “bright-line distinctions” between the effects of subject imports and other causes.); *see also Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that “{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e.*, it is not an ‘other causal factor,’ then there is nothing to further examine regarding attribution to injury”), *citing Gerald Metals*, 132 F.3d at 722 (the statute “does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.”).

¹⁶⁴ S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

¹⁶⁵ *See Nippon Steel Corp.*, 345 F.3d at 1381 (“an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the ‘dumping’ need not be the sole or principal cause of injury.”).

imports.”¹⁶⁶ The Commission ensures that it has “evidence in the record” to “show that the harm occurred ‘by reason of’ the LTFV imports,” and that it is “not attributing injury from other sources to the subject imports.”¹⁶⁷ The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed “rigid adherence to a specific formula.”¹⁶⁸

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.¹⁶⁹ Congress has delegated this factual finding to the Commission because of the agency’s institutional expertise in resolving injury issues.¹⁷⁰

B. Conditions of Competition and the Business Cycle

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

1. Demand Conditions

Demand for OCTG is cyclical and largely driven by oil and natural gas activity.¹⁷¹ The active U.S. rig count, which is an indicator of OCTG demand in the United States,¹⁷² decreased

¹⁶⁶ *Mittal Steel*, 542 F.3d at 876 &78; *see also id.* at 873 (“While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured ‘by reason of’ subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.”) *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission’s causation analysis as comports with the Court’s guidance in *Mittal*.

¹⁶⁷ *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 877-79. We note that one relevant “other factor” may involve the presence of significant volumes of price-competitive nonsubject imports in the U.S. market, particularly when a commodity product is at issue. In appropriate cases, the Commission collects information regarding nonsubject imports and producers in nonsubject countries in order to conduct its analysis.

¹⁶⁸ *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); *see also Mittal Steel*, 542 F.3d at 879 (“*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was ‘by reason’ of subject imports.”).

¹⁶⁹ We provide in our discussion below a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

¹⁷⁰ *Mittal Steel*, 542 F.3d at 873; *Nippon Steel Corp.*, 458 F.3d at 1350, *citing U.S. Steel Group*, 96 F.3d at 1357; S. Rep. 96-249 at 75 (“The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.”).

¹⁷¹ CR/PR at II-13 and II-17.

¹⁷² CR/PR at II-13.

from 2018 to an historic low in August 2020.¹⁷³ After August 2020, the active U.S. rig count began to recover through the end of the POI, while remaining well below its 2018 levels.¹⁷⁴

U.S. operational consumption (a measure of the tonnage of OCTG used) is another common indicator of OCTG demand in the United States. U.S. operational consumption followed the same trend as the active U.S. rig count, decreasing from 2018 to August 2020, and then recovering through the end of the POI, while remaining well below its 2018 levels.¹⁷⁵

U.S. oil and gas prices also influence demand for OCTG in the United States.¹⁷⁶ U.S. oil prices fell irregularly from January 2018 to a period low in April 2020, and then increased irregularly through the end of the POI.¹⁷⁷ Similarly, U.S. natural gas prices fell irregularly from January 2018 to a period low in June 2020, and then increased irregularly through the end of the POI.¹⁷⁸

Both Petitioners and Tenaris contend that OCTG demand in the United States, after previously declining during the POI, began to recover in late 2020 and continued to strengthen through interim 2021.¹⁷⁹ Most responding U.S. producers and importers reported that U.S. demand for OCTG has decreased overall since January 1, 2018.¹⁸⁰

Apparent U.S. consumption of OCTG decreased by 53.5 percent from 2018 to 2020, from 5.7 million short tons in 2018 to 5.3 million short tons in 2019 and 2.7 million short tons in 2020.¹⁸¹ It was 23.2 percent lower in interim 2021, at 1.4 million short tons, than in interim 2020, at 1.8 million short tons, but 76.9 percent higher than in the second half of 2020, at 802,522 short tons.¹⁸²

¹⁷³ CR/PR at II-13, Table II-6, and Figure II-2.

¹⁷⁴ CR/PR at II-13, Table II-6, and Figure II-2.

¹⁷⁵ CR/PR at II-15 and Table II-7.

¹⁷⁶ CR/PR at III-9 n.5; Tr. at 27-28 (Buono).

¹⁷⁷ CR/PR at Table E-1. On April 20, 2020, U.S. oil prices reached negative territory for the first time. See Petitions, Exhibit I-24 (“Free Fall: Oil Prices Go Negative,” NPR.org (Apr. 20, 2020)).

¹⁷⁸ CR/PR at Table E-2.

¹⁷⁹ Petitioners’ Postconf. Br. at 19 (“... demand signals began to turn positive late last year.”); Tenaris’ Postconf. Br. at 4 (“Since {third quarter 2020}, the market has changed dramatically: rig count, and with it OCTG demand, {is} increasing steadily.”). Both Petitioners and Tenaris cite the COVID-19 pandemic as contributing to the waning demand for OCTG. See Petitioners’ Postconf. Br. at 12; Tenaris’ Postconf. Br. at 3. Tenaris additionally cites the 2020 “OPEC/Russia oil supply war” as a contributing factor. See Tenaris’ Postconf. Br. at 3.

¹⁸⁰ CR/PR at Table II-9. Responding firms generally cited the COVID-19 pandemic as contributing to this decrease in demand. *Id.* at III-9.

¹⁸¹ CR/PR at Tables IV-11 and C-1.

¹⁸² *Derived from* CR/PR at Tables IV-11 and C-1. Apparent U.S. consumption is calculated as the aggregation of U.S. mill shipments and U.S. imports.

2. Supply Conditions

The domestic industry was the largest supplier of OCTG to the U.S. market over the POI. Its share of the U.S. market increased by 8.3 percentage points from 2018 to 2020, from 52.1 percent in 2018 to 56.7 percent in 2019 and 60.4 percent in 2020. Its market share in interim 2021 was 9.5 percentage points lower, at 50.6 percent, than its share in interim 2020, at 60.1 percent.¹⁸³ The domestic industry produced ***.¹⁸⁴ While several U.S. producers reported plant closings, shutdowns, and curtailments,¹⁸⁵ only four of 12 responding U.S. producers reported experiencing any supply constraints since January 1, 2018.¹⁸⁶

Cumulated subject imports were the second largest source of supply to the U.S. market in 2020 and interim 2021, and the third largest source in the remainder of the POI. Their share of apparent U.S. consumption decreased from 23.8 percent in 2018 to 19.8 percent in 2019, before increasing to 20.1 percent in 2020, a level 3.7 percentage points lower than in 2018. Their share of apparent U.S. consumption was 16.2 percentage points higher in interim 2021, at 34.1 percent, than in interim 2020, at 18.0 percent.¹⁸⁷ Cumulated subject imports in 2020 comprised both welded and seamless OCTG.¹⁸⁸

Nonsubject imports were the third largest source of supply to the U.S. market in 2020 and interim 2021, and the second large source in the remainder of the POI. Their share of apparent U.S. consumption decreased by 4.7 percentage points from 2018 to 2020, from 24.2 percent in 2018 to 23.5 percent in 2019 and 19.5 percent in 2020. Their share of apparent U.S. consumption was 6.7 percentage points lower in interim 2021, at 15.2 percent, than in interim 2020, at 22.0 percent.¹⁸⁹ The largest country sources of nonsubject imports were Austria, Brazil, Canada, and Taiwan.¹⁹⁰

¹⁸³ CR/PR at Tables IV-12 and C-1.

¹⁸⁴ CR/PR at Table III-9.

¹⁸⁵ CR/PR at Table III-5.

¹⁸⁶ CR/PR at II-10.

¹⁸⁷ CR/PR at Tables IV-2 and C-1.

¹⁸⁸ CR/PR at Table IV-7.

¹⁸⁹ CR/PR at Tables IV-2 and C-1.

¹⁹⁰ CR/PR at II-20. Collectively, OCTG from these countries accounted for 50.1 percent of imports from nonsubject sources. *Id.*

3. Substitutability and Other Conditions

We find that there is a high degree of substitutability between the domestic like product and cumulated subject imports.¹⁹¹ As previously discussed, substantial majorities of both responding U.S. producers and importers reported that the domestic like product is always or frequently interchangeable with imports from each of the subject countries.¹⁹² Further, OCTG, regardless of source, is generally produced to API specifications.¹⁹³ Moreover, both domestic producers and importers offered seamless and welded OCTG, and seamless and welded OCTG are largely interchangeable in the same end use applications regardless of the source.¹⁹⁴

We also find that price is an important factor in OCTG purchasing decisions. More purchasers ranked price as among the top three factors they consider in their purchasing decisions for OCTG than any other factor besides quality.¹⁹⁵ Moreover, as previously discussed, substantial majorities of both responding U.S. producers and importers reported that factors other than price are only sometimes or never significant in their customers' OCTG purchasing decisions.¹⁹⁶

Welded OCTG is made from HRC, while seamless OCTG is made from steel billets.¹⁹⁷ The U.S. price for HRC decreased irregularly from 2018 to mid-2020, then increased substantially through the end of the POI, for an overall increase of 144.1 percent between January 2018 and June 2021.¹⁹⁸ The U.S. price for scrap (used to make steel billets) followed a similar pattern, although its rate of increase from mid-2020 through the end of the POI was less

¹⁹¹ CR/PR at II-18.

¹⁹² CR/PR at Tables II-12-13. Specifically, in comparing the domestic like product with subject imports from Argentina, 10 of 11 producers and 10 of 13 importers reported that they are always or frequently interchangeable; in comparing the domestic like product with subject imports from Mexico, 10 of 11 producers and 10 of 13 importers reported that they are always or frequently interchangeable; in comparing the domestic like product with subject imports from Russia, 11 of 11 producers and 15 of 17 importers reported that they are always or frequently interchangeable; and in comparing the domestic like product with subject imports from South Korea, 11 of 12 producers and 12 of 15 importers reported that they are always or frequently interchangeable. *Id.*

¹⁹³ CR/PR at I-19.

¹⁹⁴ See section V.B. above.

¹⁹⁵ CR/PR at Table II-10.

¹⁹⁶ CR/PR at Tables II-14-15.

¹⁹⁷ CR/PR at V-1.

¹⁹⁸ CR/PR at Table V-1 and Figure V-1. HRC is subject to tariffs and quantitative restrictions pursuant to Section 232 of the Trade Expansion Act of 1962, as amended. *Id.* at V-1. Most responding U.S. producers and importers reported that these Section 232 restrictions increased the raw material costs for welded OCTG. CR/PR at Table II-3.

pronounced.¹⁹⁹ On a per short ton basis, raw material costs for domestically produced OCTG decreased from 2018 to 2020, but were significantly higher in interim 2021 compared to interim 2020.²⁰⁰ Other than in 2020 and interim 2020, raw material costs accounted for the largest share of the domestic industry's cost of goods sold ("COGS") throughout the POI.²⁰¹

OCTG imports from Russia are subject to 25 percent *ad valorem* duties pursuant to Section 232 of the Trade Expansion Act of 1962, as amended ("Section 232").²⁰² OCTG imports from Argentina and South Korea are subject to annual import quotas pursuant to Section 232.²⁰³ OCTG imports from Mexico are exempt from both Section 232 duties and quotas.²⁰⁴ As previously noted, OCTG imports from South Korea are subject to an antidumping duty order.²⁰⁵

C. Volume of Subject Imports

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

Cumulated subject import volume declined by 60.7 percent from 2018 to 2020, from 1.4 million short tons in 2018 to 1.0 million short tons in 2019 and 532,296 short tons in 2020; it was 46.0 percent greater in interim 2021, at 484,533 short tons, than in interim 2020, at 331,812 short tons.²⁰⁷ Cumulated subject imports as a share of apparent U.S. consumption decreased from 23.8 percent in 2018 to 19.8 percent in 2019, but then increased to 20.1

¹⁹⁹ CR/PR at Figure V-1.

²⁰⁰ CR/PR at Table VI-1. On a per short ton basis, raw material costs decreased from \$757 in 2018 to \$719 in 2019 and \$630 in 2020; they were higher in interim 2021, at \$755, than in interim 2020, at \$609. *Id.*

²⁰¹ CR/PR at Table VI-1. As a share of total COGS, raw material costs were 54.6 percent in 2018, 51.4 percent in 2019, and 42.6 percent in 2020; they were 50.3 percent in interim 2021, compared to 43.4 percent in interim 2020. *Id.* In 2020 and interim 2020, other factory costs accounted for the largest share of COGS, at 47.2 percent and 46.5 percent, respectively. *Id.*

²⁰² CR/PR at I-12.

²⁰³ CR/PR at I-12. The import quota is 163,102 short tons per year for Argentina, and 508,020 short tons per year for South Korea. *Id.*

²⁰⁴ CR/PR at I-12. Tenaris asserts that OCTG imports from Mexico are potentially subject to the "USMCA surge mechanism." See Tenaris' Postconf. Br. at 28; see also Government of Mexico's Postconf. Br. at 2.

²⁰⁵ See *Oil Country Tubular Goods from India, the Republic of Korea, the Republic of Turkey, Ukraine, and the Socialist Republic of Vietnam: Continuation of Antidumping and Countervailing Duty Orders*, 85 Fed. Reg. 48665 (Aug. 12, 2020).

²⁰⁶ 19 U.S.C. § 1677(7)(C)(i).

²⁰⁷ CR/PR at Tables IV-3 and C-1.

percent in 2020. Cumulated subject imports as a share of apparent U.S. consumption then reached their highest level of the entire POI in interim 2021. Cumulated subject imports as a share of apparent U.S. consumption were 16.2 percentage points higher in interim 2021, at 34.1 percent, than in interim 2020, at 18.0 percent.²⁰⁸

We conclude, for preliminary phase purposes, that the volume of cumulated subject imports, and the increase in that volume in interim 2021 compared to interim 2020, are significant both in absolute terms and relative to consumption in the United States.

D. Price Effects of the Subject Imports

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

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

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.²⁰⁹

As addressed in section VI.B.3. above, we find a high degree of substitutability between the domestic like product and cumulated subject imports, and that price is an important factor in purchasing decisions.

The Commission collected quarterly pricing data from U.S. producers and importers for six pricing products.²¹⁰ Eight domestic producers and five importers provided usable pricing

²⁰⁸ CR/PR at Tables IV-12 and C-1.

²⁰⁹ 19 U.S.C. § 1677(7)(C)(ii).

²¹⁰ The six pricing products are as follows:

Product 1.-- Tubing, Grade L-80, 2 7/8" O.D., 6.5 lbs./ft., threaded and coupled, range 2, seamless sold to unrelated U.S. distributors.

Product 2.-- Tubing, Grade J-55, 2 3/8" O.D., 4.7 lbs./ft., threaded and coupled, range 2, welded sold to unrelated U.S. distributors.

Product 3.-- Casing, Grade P-110, 5 1/2" O.D., 20.0 lbs./ft., threaded and coupled, range 3, welded sold to unrelated U.S. distributors.

Product 4.-- Casing, Grade P-110, 5 1/2" O.D., 17.0 lbs./ft., threaded and coupled, range 3, seamless sold to unrelated U.S. distributors.

Product 5.-- Tubing, Grade L-80, 2 7/8" O.D., 6.5 lbs./ft., threaded and coupled, range 2, seamless sold to end users.

(Continued...)

data, although not all firms reported pricing for all products for all quarters.²¹¹ Pricing data reported by these firms accounted for approximately 8.5 percent of U.S. shipments of OCTG from U.S. producers, 7.1 percent of U.S. shipments of OCTG from Argentina, 5.0 percent of U.S. shipments of OCTG from Mexico, 8.1 percent of subject imports from Russia, and 1.5 percent of subject imports from South Korea in 2020.²¹² Pricing data reported by U.S. producers and importers were sporadic, permitting price comparisons in only 39 of a possible 336 quarters.²¹³

The pricing data show a mixed pattern of over- and underselling by cumulated subject imports, with overselling in a slight majority of quarterly comparisons. Cumulated subject imports undersold domestically produced OCTG in 18 of 39 quarterly comparisons, or 46.2 percent of the time, at margins averaging 18.2 percent, and quarters in which there was underselling accounted for 45.2 percent of reported subject import sales volume (12,847 short tons).²¹⁴ Cumulated subject imports oversold domestically produced OCTG in 21 of 39 quarterly comparisons, or 53.8 percent of the time, at margins averaging 12.5 percent, and quarters in which there was overselling accounted for 54.8 percent of reported subject import volume (15,570 short tons).²¹⁵

Purchaser questionnaire responses and confirmed lost sales of OCTG indicate that cumulated subject imports were being sold at lower prices than the domestic like product during the POI. Four of seven responding purchasers reported that they purchased subject imports instead of U.S.-produced OCTG during the POI. All four of these purchasers reported that subject imports were lower priced than U.S.-produced OCTG, and these four purchasers also reported that price was a primary reason for purchasing *** short tons of subject imports.²¹⁶ This volume of confirmed lost sales is significant – nearly *** times larger than the

(...Continued)

Product 6.-- Casing, Grade P-110, 5 1/2" O.D., 17.0 lbs./ft., threaded and coupled, range 3, seamless sold to end users.

Information concerning the same pricing items over different channels of distribution was collected to broaden the coverage of the data gathered by the Commission. CR/PR at V-9.

²¹¹ CR/PR at V-10.

²¹² CR/PR at V-10.

²¹³ CR/PR at Tables V-6-12. In any final phase of the investigations, we invite parties to provide comments on the draft questionnaires regarding pricing product definitions on which to collect sales price data that may increase data coverage across the POI.

²¹⁴ CR/PR at Table V-15.

²¹⁵ CR/PR at Table V-15.

²¹⁶ CR/PR at Table V-18. We note that the volume of subject import purchases that these purchasers reported buying due to price is likely understated because two of the purchasers, ***, did not estimate their volume of purchases of subject imports that was due to price, although both reported a significant shift in the share of their purchases from domestic producers to subject imports over the (Continued...)

reported volume of importers' shipments of subject imports in the pricing product data (***) short tons), and equivalent to *** percent of total subject import volume during the POI (3.4 million short tons).²¹⁷ In addition, six of seven responding U.S. purchasers reported that U.S. producers had lowered their prices from *** to *** percent to compete with lower-priced subject imports during the POI.²¹⁸

Given the relatively limited quarterly comparisons in the pricing data, we have also examined AUVs of subject imports and the domestic industry's net sales with respect to seamless and welded OCTG, which indicate that subject imports were lower priced than domestically produced OCTG throughout the POI.²¹⁹ In every full year of the POI, the AUVs of subject imports were lower than the AUVs of the domestic industry's net sales, by *** to *** percent with respect to seamless OCTG, and by *** to *** percent with respect to welded OCTG.²²⁰ In interim 2021, when subject imports increased their share of apparent U.S. consumption at the domestic industry's expense, the AUVs of subject imports were lower than the AUVs of the domestic industry's net sales by *** percent with respect to seamless OCTG and by *** percent with respect to welded OCTG.²²¹ While we recognize that subject import AUVs were reported at a different level of trade than domestic producer net sales, the record

(...Continued)

2018-20 period. *Id.* at Tables V-17-18. *** reported reducing the domestic industry share of its purchases by *** percentage points between 2018 and 2020, while increasing the subject import share of its purchases by a nearly equivalent *** percentage points over the period. *Id.* at Table V-17. Similarly, *** reported reducing the domestic industry share of its purchases by *** percentage points between 2018 and 2020, while increasing the subject import share of its purchases by *** percentage points over the period. *Id.*

²¹⁷ *Calculated from CR/PR at Tables IV-3, V-12.*

²¹⁸ CR/PR at Table V-20.

²¹⁹ *Compare CR/PR at Table IV-4 with id. at Table VI-8 and id. at Table IV-5 with id. at Table VI-8.* We recognize that import AUVs are not directly comparable to domestic industry net sales AUVs but consider these data to be additional evidence on the record regarding relative pricing of the domestic like product and subject imports.

²²⁰ *Compare CR/PR at Table IV-4 with id. at Table VI-8 and id. at Table IV-5 with id. at Table VI-8.*

²²¹ *Compare CR/PR at Table IV-4 with id. at Table VI-8 and id. at Table IV-5 with id. at Table VI-8.* In interim 2020, the AUVs of subject imports compared to the AUVs of the domestic industry's net sales were higher with respect to seamless OCTG, by *** percent, but lower with respect to welded OCTG, by *** percent. *Id.* On a dollar per short ton basis, the AUV for cumulated subject imports of welded OCTG was \$812 in interim 2021, while the AUV for domestically produced welded OCTG was \$*** in interim 2021. *Compare CR/PR Tables IV-5 and VI-8.* On a dollar per short ton basis, the AUV for cumulated subject imports of seamless OCTG was \$1,027 in interim 2021, while the AUV for domestically produced seamless OCTG was \$*** in interim 2021. *Compare CR/PR Tables IV-4 and VI-8.*

of the preliminary phase of the investigations does not indicate that differences in level of trade or product mix could explain AUV differentials of this magnitude.²²²

Consistent with the preceding evidence, Petitioners have provided contemporaneous communications indicating that subject imports were lower priced than domestically produced OCTG during the POI.²²³ These include, for example: (1) ***,²²⁴ (2) ***,²²⁵ and (3) ***.²²⁶ In addition, officials from both U.S. producers and distributors testified at the conference that subject imports had undersold the domestic like product during the POI.²²⁷

Given the high degree of substitutability between subject imports and the domestic like product, the importance of price in purchasing decisions, and the foregoing record evidence regarding underselling, lost sales, and contemporaneous documentation of lower-priced subject imports, we find that there has been significant price underselling by cumulated subject imports compared with the price of the domestic like product during the POI. Cumulated subject imports gained 9.5 percentage points of U.S. market share at the direct expense of the domestic industry in interim 2021 compared to interim 2020 and took a significant volume of sales from the domestic industry on the basis of price.²²⁸

We have also considered price trends during the POI. Prices for domestically produced pricing products 3 and 4 increased through the first quarter of 2019, declined through the end of 2020, and then increased through the second quarter of 2021 to a level higher than in the first quarter of 2018.²²⁹ Pricing data were insufficient to determine the domestic price trends of other products.²³⁰ Consistent with these data, the AUVs of the domestic industry's net sales for both seamless and welded OCTG declined between 2018 and 2020 before increasing in interim 2021, but to a level still below that in 2018.²³¹ Subject import prices declined over the POI with respect to product 1 from Argentina and Mexico, products 3 and 4 from Korea, and

²²² We recognize that AUV comparisons may be influenced by differences in product mix, and changes in product mix over time, but note that comparisons between the AUVs for domestic and imported seamless products on the one hand, and between the AUVs for domestic and imported welded products on the other, would control for product mix to some extent.

²²³ Petitioners' Postconf. Br. at Exh. 4 (***)

²²⁴ Petitioners' Postconf. Br. at Exh. 4, Email Correspondence 1.

²²⁵ Petitioners' Postconf. Br. at Exh. 4, Email Correspondence 4.

²²⁶ Petitioners' Postconf. Br. at Exh. 4, Text Message Exchange 1.

²²⁷ See, e.g., Tr. at 25 (Buono), 32 (Johnson), and 44 (Tait).

²²⁸ CR/PR at Tables IV-12, V-18.

²²⁹ CR/PR at Tables V-8-9 and Figures V-5-6. For products 3 and 4, domestic prices increased by *** percent and *** percent over the POI, respectively. *Id.* at Table V-12.

²³⁰ CR/PR at V-23.

²³¹ CR/PR at Table VI-8.

product 5 from Mexico, but increased with respect to product 2 from Korea and product 5 from Argentina.²³² Although the limited pricing data on the record, as well as AUV data, show that domestic producers were able to reverse their declining prices in interim 2021 to some extent, six of seven responding purchasers, including the three largest purchasers, reported that U.S. producers lowered their prices during the POI to compete with lower-priced subject imports, with price reductions ranging from *** to *** percent.²³³

We have also considered whether subject imports prevented price increases that otherwise would have occurred. The domestic industry's ratio of cost of goods sold ("COGS") to net sales increased from 93.6 percent in 2018 to 98.1 percent in 2019 and 122.2 percent in 2020, and was somewhat lower in interim 2021, at 109.3 percent, than in interim 2020, at 113.2 percent, but remained elevated.²³⁴ We find it instructive that the decline in the domestic industry's COGS to net sales ratio in interim 2021 compared to interim 2020 resulted entirely from a decline in the industry's ratio of other factory costs to net sales, as several domestic producers reported shutting down production facilities during the period, while the industry's ratio of raw material costs to net sales increased.²³⁵ Despite recovering demand in interim 2021, domestic producers were unable to increase their prices commensurately with their increased raw material costs, as they lost sales and market share to lower-priced subject imports.

Based on the foregoing evidence, we cannot conclude that cumulated subject imports did not depress or suppress prices for the domestic like product to a significant degree. Nearly

²³² CR/PR at Table V-12. For product 1, prices for subject imports from Argentina and Mexico decreased by *** percent and *** percent, respectively. *Id.* For products 3 and 4, prices for subject imports from South Korea decreased by *** percent and *** percent, respectively. *Id.* For product 5, prices for subject imports from Mexico decreased by *** percent. *Id.* For product 2, prices for subject imports from South Korea increased by *** percent. *Id.* For product 5, prices for subject imports from Argentina increased by *** percent. *Id.*

²³³ CR/PR at Table V-20. The largest domestic purchasers are ***. CR/PR at I-3. Each of these purchasers reported that U.S. producers lowered their prices to compete with lower-priced subject imports during the POI. CR/PR at Table V-20.

²³⁴ CR/PR at Tables VI-1 and C-1.

²³⁵ CR/PR at Tables III-5, VI-1, and C-1. Specifically, the domestic industry's ratio of other factory costs to net sales was *** percentage points lower in interim 2021, at *** percent, than in interim 2020, at *** percent, as prolonged shutdowns were reported by ***. *Id.* at Tables III-5, VI-1. At the same time, the domestic industry's ratio of raw material costs to net sales was *** percentage points higher in interim 2021, at *** percent, than in interim 2020, at *** percent. *Id.* at Table VI-1. On a dollar per short ton basis, the domestic industry's raw material costs were \$*** greater in interim 2021 than interim 2020, while its net sales value was only \$*** greater in interim 2021 than in interim 2020. *Id.* at Table VI-2.

all responding purchasers reported that domestic producers reduced their prices to compete with lower-priced subject imports during the POI, and domestic producers were unable to recoup fully their higher raw material costs through higher prices in interim 2021. However, we also acknowledge that apparent U.S. consumption declined substantially in 2020, and although it started to pick up in the first half of 2021 compared to the second half of 2020, consumption still remained depressed compared to earlier in the POI,²³⁶ and it is unclear whether domestic producers could have passed through additional price increases.

In sum, based upon the record of the preliminary phase of the investigations, we find that cumulated subject imports significantly undersold the domestic like product, resulting in significant lost sales over the POI and a shift in market share from the domestic industry to subject imports in interim 2021 relative to interim 2020. We therefore find that cumulated subject imports had significant price effects. Further, we cannot conclude that cumulated subject imports did not depress or suppress domestic producer prices to a significant degree.

E. Impact of the Subject Imports²³⁷

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, “shall evaluate all relevant economic factors which have a bearing on the state of the industry.” These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debt, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”²³⁸

As previously discussed, U.S. demand for OCTG, as measured by rig count and operational consumption, declined from 2018 through most of 2020, before recovering in late 2020 through interim 2021 to levels still far below those in 2018.²³⁹ Consistent with declining

²³⁶ Apparent U.S. consumption in interim 2021 was still *** percent lower than in interim 2020, and consumption in full year 2020 was *** percent lower than in 2019. CR/PR at Table C-1.

²³⁷ Commerce initiated its investigations based on estimated dumping margins of 168.49 percent for subject imports from Argentina, 59.75 percent for subject imports from Mexico, and 136.96 percent for subject imports from Russia. *Oil Country Tubular Goods from Argentina, Mexico, and the Russian Federation: Initiation of Less-Than-Fair-Value Investigations*, 86 Fed. Reg. 60205, 60208 (Nov. 1, 2021).

²³⁸ 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

²³⁹ CR/PR at II-13, II-15, Tables II-6-7, and Figure II-2.

apparent U.S. consumption during the 2018-20 period, the domestic industry's performance worsened by nearly every measure. Despite the nascent demand recovery in interim 2021, however, the domestic industry's performance continued to worsen in interim 2021 compared to interim 2020, as the industry lost 9.5 percentage points of market share to subject imports.

Most of the domestic industry's output indicia, particularly for U.S. mills, declined from 2018 to 2020, and were lower in interim 2021 than in interim 2020. U.S. mills' capacity decreased overall by 7.8 percent from 2018 to 2020, increasing from 6.67 million short tons in 2018 to 6.71 million short tons 2019, and then declining to 6.15 million short tons in 2020; it was 0.7 percent greater in interim 2021, at 3.11 million short tons, than in interim 2020 at 3.09 million short tons.²⁴⁰ U.S. mills' production decreased by 49.6 percent from 2018 to 2020, falling from 3.2 million short tons in 2018 to 3.0 million short tons in 2019 and 1.6 million short tons in 2020; it was 32.9 percent lower in interim 2021, at 746,392 short tons, than in interim 2020, at 1.1 million short tons.²⁴¹ U.S. mills' capacity utilization decreased by 21.5 percentage points from 2018 to 2020, from 47.4 percent in 2018 to 45.0 percent in 2019 and 25.9 percent in 2020; it was 12.0 percentage points lower in interim 2021, at 24.0 percent, than in interim 2020, at 36.0 percent.²⁴²

Consistent with the domestic industry's declining production, the industry's employment indicators declined over the POI.²⁴³ Employment fell overall by 41.5 percent from 2018 to 2020,²⁴⁴ and was 31.9 percent lower in interim 2021 than in interim 2020.²⁴⁵ Total

²⁴⁰ CR/PR at Table III-8. U.S. processors' capacity was constant from 2018 to 2020 at 1.8 million short tons a year; it was 1.7 percent lower in interim 2021, at 898,476 short tons, than in interim 2020, at 914,435 short tons. CR/PR at Table III-10.

²⁴¹ CR/PR at Table III-8. U.S. processors' production decreased by 59.9 percent from 2018 to 2020, from 918,314 short tons in 2018 to 770,999 short tons in 2019 and 368,446 short tons in 2020; it was 14.8 percent greater in interim 2021, at 298,449 short tons, than in interim 2020, at 259,913 short tons. CR/PR at Table III-10.

²⁴² CR/PR at Table III-8. U.S. processors' capacity utilization decreased by 31.2 percentage points from 2018 to 2020, from 51.4 percent in 2018 to 42.7 percent in 2019 and 20.2 percent in 2020; it was 4.8 percentage points greater in interim 2021, at 33.2 percent, than in interim 2020, at 28.4 percent. CR/PR at Table III-10.

²⁴³ For purposes of analyzing the domestic industry's employment indicia other than productivity, we examine the combined employment-related data of both U.S. mills and processors. CR/PR at Table III-32.

²⁴⁴ CR/PR at Table III-32. Employment increased from 8,006 PRWs in 2018 to 8,235 PRWs in 2019, and then declined to 4,681 PRWs in 2020. *Id.*

²⁴⁵ CR/PR at Table III-32. Employment was 4,154 PRWs in interim 2021, compared to 6,102 PRWs in interim 2020. *Id.*

hours worked declined by 47.6 percent from 2018 to 2020,²⁴⁶ and were 21.6 percent lower in interim 2021 than in interim 2020.²⁴⁷ Wages paid declined overall by 40.2 percent from 2018 to 2020,²⁴⁸ and were 26.0 percent lower in interim 2021 than in interim 2020.²⁴⁹ Productivity for U.S. mills, as measured in short tons per 1,000 hours, declined by 1.5 percent from 2018 to 2020, decreasing from 208.8 in 2018 to 202.9 in 2019 and 205.7 in 2020; it was 11.4 percent lower in interim 2021, at 189.0, than in interim 2020, at 213.3.²⁵⁰

U.S. mills' U.S. shipments decreased overall by 46.0 percent from 2018 to 2020, increasing from 2.97 million short tons in 2018 to 2.98 million short tons in 2019, and then decreasing to 1.6 million short tons in 2020; they were 35.3 percent lower in interim 2021, at 718,930 short tons, than in interim 2020, at 1.1 million short tons.²⁵¹ The domestic industry's share of apparent U.S. consumption increased by 8.3 percentage points from 2018 to 2020, from 52.1 percent in 2018 to 56.7 percent in 2019 and 60.4 percent in 2020; its share of apparent U.S. consumption was 9.5 percentage points lower in interim 2021, at 50.6 percent, than in interim 2020, at 60.1 percent.²⁵²

U.S. mills' end-of-period inventories declined by 56.5 percent from 2018 to 2020, decreasing from 456,161 short tons in 2018 to 378,641 short tons in 2019 and 198,206 short tons in 2020; they were 17.6 percent lower in interim 2021, at 191,415 short tons, than in interim 2020, at 232,346 short tons.²⁵³ U.S. mills' end-of-period inventories also declined as a

²⁴⁶ CR/PR at Table III-32. Total hours worked fell from 20.4 million hours in 2018 to 20.0 million hours in 2019 and 10.7 million hours in 2020. *Id.*

²⁴⁷ CR/PR at Table III-32. Total hours worked were 5.5 million hours in interim 2021, compared to 7.0 million hours in interim 2020. *Id.*

²⁴⁸ CR/PR at Table III-32. Wages paid increased from \$600.8 million in 2018 to \$620.4 million in 2019, and then declined to \$359.1 million in 2020. *Id.*

²⁴⁹ CR/PR at Table III-32. Wage paid were \$179.0 million in interim 2021, compared to \$241.7 million hours in interim 2020. *Id.*

²⁵⁰ CR/PR at Table III-29. The productivity of non-toll processors, as measured in short tons per 1,000 hours, was *** in 2018, *** in 2019, and *** in 2020; it was higher, at ***, in interim 2021, than in interim 2020, at ***. CR/PR at Table III-30. The productivity of toll processors, as measured in short tons per 1,000 hours, was *** in 2018, *** in 2019, and *** in 2020; it was higher, at ***, in interim 2021, than in interim 2020, at ***. CR/PR at Table III-31.

²⁵¹ CR/PR at Table III-12. U.S. non-toll processors' U.S. shipments increased from *** short tons in 2018 to *** short tons in 2019, and then decreased to *** short tons in 2020; they were lower, at *** short tons, in interim 2021, than in interim 2020, at *** short tons. CR/PR at Table III-13.

²⁵² CR/PR at Table IV-12.

²⁵³ CR/PR at Table III-16. U.S. non-toll processors' inventories increased from *** short tons in 2018 to *** short tons in 2019, and then decreased to *** short tons in 2020; they were lower, at *** short tons, in interim 2021, than in interim 2020, at *** short tons. CR/PR at Table III-17.

share of total shipments from *** percent in 2018 to *** percent in 2019 and *** percent in 2020, but were higher in interim 2021, at *** percent, than in interim 2020, at *** percent.²⁵⁴

The domestic industry's financial performance significantly declined by most measures during the POI, remaining poor, if somewhat improved with respect to certain indicia, in interim 2021 compared to interim 2020.²⁵⁵ The domestic industry's total net sales revenues declined from \$4.8 billion in 2018 to \$4.5 billion in 2019 and \$2.1 billion in 2020, a level 55.9 percent lower than in 2018, and were 29.3 percent lower in interim 2021, at \$1.1 billion, than in interim 2020, at \$1.5 billion.²⁵⁶ The industry's operating losses increased from \$169.5 million in 2018 to \$280.9 million in 2019 and \$754.9 million in 2020; they were lower in interim 2021, at \$248.7 million, than in interim 2020, at \$372.0 million.²⁵⁷ The industry's ratio of operating losses to net sales worsened from negative 3.6 percent in 2018 to negative 6.2 percent in 2019 and negative 36.0 percent in 2020.²⁵⁸ Its ratio of operating losses to net sales was negative 23.7 percent in interim 2021, compared to negative 25.0 percent in interim 2020.²⁵⁹ The domestic industry's return on assets declined from negative *** percent in 2018 to negative *** percent in 2019 and negative *** percent in 2020.²⁶⁰ The industry's capital expenditures declined overall by *** percent from 2018 to 2020,²⁶¹ and were *** percent lower in interim 2021 than in interim 2020,²⁶² while its research and development expenses also declined irregularly by *** percent

²⁵⁴ CR/PR at Table III-16. Non-toll processors' end-of-period inventories increased as a share of total shipments from *** percent in 2018 to *** percent in 2019 and *** percent in 2020, but were lower in interim 2021, at *** percent, than in interim 2020, at *** percent. CR/PR at Table III-17.

²⁵⁵ For purposes of analyzing the financial results of the domestic industry, we examine the combined operations of both U.S. mills and non-toll processors. CR/PR at Table VI-1.

²⁵⁶ CR/PR at Table VI-1.

²⁵⁷ CR/PR at Table VI-1. Gross profit decreased from \$303.9 million in 2018 to \$86.9 million in 2019 and negative \$464.9 million in 2020; the gross loss was lower in interim 2021, at negative \$97.4 million, than in interim 2020, at negative \$196.6 million. *Id.* Net income declined from negative \$*** in 2018 to negative \$*** in 2019 and negative \$*** in 2020; the net loss was lower in interim 2021, at negative \$***, than in interim 2020, at negative \$***. *Id.* The domestic industry's ratio of net income to net sales decreased from negative *** percent in 2018 to negative *** percent in 2019 and negative *** percent in 2020; it was higher in interim 2021, at negative *** percent, than in interim 2020, at negative *** percent. *Id.*

²⁵⁸ CR/PR at Table VI-1.

²⁵⁹ CR/PR at Table VI-1.

²⁶⁰ CR/PR at Table VI-20.

²⁶¹ CR/PR at Tables VI-15 and C-1. Its capital expenditures increased from \$*** in 2018 to \$*** in 2019, and then declined to \$*** in 2020. *Id.*

²⁶² CR/PR at Tables VI-15 and C-1. Its capital expenditures were \$*** in interim 2021, compared to \$*** in interim 2020. *Id.*

between 2018 and 2020, and were *** percent lower in interim 2021 than in interim 2020.²⁶³ The domestic industry also reported negative effects on investment, growth, and development due to subject imports.²⁶⁴

Based on the record of the preliminary phase of these investigations, we find that the significant increase in low-priced subject imports in interim 2021 compared to interim 2020 captured 9.5 percentage points of market share from the domestic industry. The domestic industry's loss of market share to subject imports contributed to significant declines in the industry's production, capacity utilization, U.S. shipments, employment, and net sales revenues in interim 2021 compared to interim 2020, as well as to the industry's weak financial performance during the period, even as demand began to recover. Further, the volume of confirmed lost sales over the POI is significant, equivalent to *** percent of total subject import volume during the POI (3.4 million short tons). Consequently, the domestic industry's output and revenues were lower than they otherwise would have been, and the domestic industry's financial performance suffered as a result. Finally, as discussed above, we cannot conclude the significant volume of cumulated subject imports throughout the POI did not have depressing or suppressing effects on domestic prices, thus contributing to the domestic industry's declining financial performance over the POI, with negative operating income and net income in 2019, 2020, and interim 2021.

We have also considered whether there are other factors that may have had an adverse impact on the domestic industry during the POI to ensure that we are not attributing injury from such other factors to subject imports. Nonsubject imports do not explain the domestic industry's declining performance in interim 2021 compared to interim 2020. Nonsubject imports decreased by volume and as a share of the U.S. market in interim 2021 compared to interim 2020, while subject imports increased.²⁶⁵ Further, the AUVs of nonsubject welded OCTG imports were higher than the AUVs of subject welded OCTG imports throughout the POI.²⁶⁶ Moreover, although the AUVs of nonsubject seamless OCTG imports were lower than the AUVs of subject seamless OCTG imports during the 2018-20 period, the AUV of nonsubject seamless imports was higher than the AUV of subject seamless imports in interim 2021, when subject imports captured market share from the domestic industry.²⁶⁷ Indeed, subject imports also captured 6.7 percentage points of market share from nonsubject imports over the interim

²⁶³ CR/PR at Tables VI-17 and C-1.

²⁶⁴ CR/PR at Tables VI-22-23.

²⁶⁵ CR/PR at Table C-1.

²⁶⁶ CR/PR at Table IV-5.

²⁶⁷ CR/PR at Table IV-4.

periods.²⁶⁸ Further, purchasers confirmed that a significant volume of sales were lost to subject imports during the POI, which cannot be attributed to nonsubject imports.

We recognize that the significant decline in apparent U.S. consumption from 2018 to 2020 contributed to the domestic industry's declining performance over the period. However, declining demand cannot explain the shift in market share from the domestic industry to subject imports in interim 2021 compared to interim 2020, the significant quantity of confirmed lost sales, or the resulting impact on the industry's performance. Further, by capturing market share from the domestic industry, subject imports also prevented the industry from capitalizing on the nascent demand recovery in interim 2021.

We are unpersuaded by Tenaris' argument that the increase in cumulated subject imports in interim 2021 compared to interim 2020 did not injure the domestic industry because these imports were not "replacing U.S.-produced OCTG," but rather responding to conditions of short supply.²⁶⁹ The record does not indicate that the domestic industry experienced significant supply constraints in interim 2021, as only four of 12 responding U.S. producers reported experiencing such constraints during the POI.²⁷⁰ Furthermore, the domestic industry's reported rate of capacity utilization was lower in interim 2021 than in interim 2020 with respect to both seamless and welded OCTG, at *** and *** percent, respectively, indicating it had substantial unused capacity with which to increase production.²⁷¹ Further contradicting Tenaris' assertion that a "supply crisis" pulled subject imports into the U.S. market in interim 2021 is the decline in the AUVs of subject imports in interim 2021 compared to interim 2020, whereas importers likely would have been in a position to increase subject import prices had there been a shortage of OCTG.^{272 273}

We are also unpersuaded by TMK's argument that domestic producers of welded OCTG were prevented from raising their prices to cover increasing HRC costs at the end of the POI by

²⁶⁸ CR/PR at Table C-1.

²⁶⁹ Tenaris' Postconf. Br. at 27.

²⁷⁰ CR/PR at II-10.

²⁷¹ CR/PR at Table III-9.

²⁷² CR/PR at Table IV-4; Tenaris' Postconf. Br. at 27.

²⁷³ We are also unpersuaded by Tenaris's argument that large distributor inventories, not lower-priced subject imports, caused the decline in U.S. mill production later in the POI. Tenaris' Postconf. Br. at 23-24. The alleged liquidation of inventories by distributors did not prevent subject imports from increasing significantly in interim 2021 compared to interim 2020 at the direct expense of the domestic industry. Thus, the liquidation of distributor inventories cannot explain the shift in market share from the domestic industry to subject imports during the period. In any final phase of these investigations, we intend to further examine the impact of distributor inventories on the domestic industry during the POI.

the availability of interchangeable domestically produced seamless OCTG, rather than by subject import competition.²⁷⁴ While the record shows that the domestic industry had a substantially larger volume of net sales of seamless OCTG than of welded OCTG, particularly in interim 2021, it also shows that the industry's net sales AUVs for its shipments of seamless OCTG were higher than its net sales AUVs for welded OCTG, which does not suggest significant pricing pressure from domestic seamless OCTG.²⁷⁵ Moreover, any intra-industry competition does not explain the domestic industry's loss of market share to subject imports over the interim periods.

Finally, we are unpersuaded by Tenaris' and TMK's argument that increasing HRC costs in the United States, not lower-priced subject imports, accounted for the domestic industry's declining performance in interim 2021.²⁷⁶ Domestic producers of seamless OCTG were unaffected by increased HRC prices and capable of compensating for any decline in the domestic production of welded OCTG in interim 2021, given their low rate of capacity utilization and the interchangeability of seamless OCTG for welded OCTG.²⁷⁷ Consequently, increased HRC prices cannot explain the domestic industry's loss of market share to subject imports in interim 2021 compared to interim 2020.

In sum, based on the record of the preliminary phase of these investigations, we conclude that subject imports had a significant impact on the domestic industry.

VII. Conclusion

For the reasons stated above, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of subject imports of OCTG from Argentina, Mexico, and Russia that are allegedly sold in the United States at less than fair value and imports of the subject merchandise from Russia and South Korea that are allegedly subsidized by the governments of Russia and South Korea.

²⁷⁴ TMK's Postconf. Br. at 13.

²⁷⁵ CR/PR at Table VI-8.

²⁷⁶ See Tenaris' Postconf. Br. at 9-12; TMK's Postconf. Br. at 15.

²⁷⁷ CR/PR at Table III-9.

Part I: Introduction

Background

These investigations result from petitions filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by Borusan Mannesmann Pipe U.S., Inc., Baytown, Texas; PTC Liberty Tubulars LLC, Liberty, Texas; U.S. Steel Tubular Products, Inc., Pittsburgh, Pennsylvania; Welded Tube USA, Inc., Lackawanna, New York; and the United States Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC, Pittsburgh, Pennsylvania, on October 6, 2021, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of oil country tubular goods (“OCTG”) ¹ from Russia and South Korea and less-than-fair-value (“LTFV”) imports of OCTG from Argentina, Mexico, and Russia. Table I-1 provides information relating to the background of these investigations.^{2 3}

Table I-1
OCTG: Information relating to the background and schedule of this proceeding

Effective date	Action
October 6, 2021	Petitions filed with Commerce and the Commission; institution of Commission investigations (86 FR 56983, October 13, 2021)
October 26, 2021	Commerce’s notice of initiation (86 FR 60205 and 86 FR 60210, November 1, 2021)
October 27, 2021	Commission’s conference
November 19, 2021	Commission’s vote
November 22, 2021	Commission’s determinations
November 30, 2021	Commission’s views

¹ See the section entitled “The subject merchandise” in Part I of this report for a complete description of the merchandise subject in this proceeding.

² Pertinent Federal Register notices are referenced in appendix A, and may be found at the Commission’s website (www.usitc.gov).

³ A list of witnesses appearing at the conference is presented in appendix B of this report.

Statutory criteria

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

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

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--⁴

In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant. . . In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . . (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree. . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.

⁴ Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—⁵

(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the United States merely because that industry is profitable or because the performance of that industry has recently improved.

Organization of report

Part I of this report presents information on the subject merchandise, alleged subsidy/dumping margins, and domestic like product. Part II of this report presents information on conditions of competition and other relevant economic factors. Part III presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. Parts IV and V present the volume of subject imports and pricing of domestic and imported products, respectively. Part VI presents information on the financial experience of U.S. producers. Part VII presents the statutory requirements and information obtained for use in the Commission’s consideration of the question of threat of material injury as well as information regarding nonsubject countries.

Market summary

OCTG generally is used in oil and natural gas wells, and consists primarily of casing and tubing.⁶ The leading U.S. producers of OCTG are Tenaris USA, U.S. Steel, and Vallourec. The leading producers of OCTG in subject countries include Siderca of Argentina, TAMSA of Mexico, TMK Group of Russia, and Hyundai Steel of South Korea. The leading U.S. importer of OCTG from Argentina and Mexico is ***. The leading importers of OCTG from Russia are ***, while the leading importers of OCTG from South Korea are ***. Leading importers of product from nonsubject countries (primarily Austria, Canada, and Taiwan) include ***. U.S. purchasers of OCTG are firms that distribute OCTG; leading purchasers include ***.

⁵ Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

⁶ Petition, pp. 13 and 21.

Apparent U.S. consumption of OCTG totaled approximately 2.7 million short tons (\$3.1 billion) in 2020. U.S. producers' U.S. shipments of OCTG totaled 1.6 million short tons (\$2.1 billion) in 2020, and accounted for 60.4 percent of apparent U.S. consumption by quantity and 66.4 percent by value. U.S. imports from subject sources totaled 532,296 short tons (\$493.0 million) in 2020 and accounted for 20.1 percent of apparent U.S. consumption by quantity and 15.8 percent by value. U.S. imports from nonsubject sources totaled 517,473 short tons (\$555.6 million) in 2020 and accounted for 19.5 percent of apparent U.S. consumption by quantity and 17.8 percent by value.

Summary data and data sources

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire responses of 17 firms that are believed to account for the large majority of U.S. production of OCTG during 2020. U.S. imports are based on official import statistics.

Previous and related investigations

OCTG has been the subject of several prior countervailing and antidumping duty investigations in the United States. Table I-2 presents data on those proceedings.

Table I-2
OCTG: Previous and related Commission proceedings and status of orders

Date	Number	Country	Determination	Current Status of Order
1984	701-TA-215	Brazil	Affirmative final	Order revoked, August 21, 1985
1984	701-TA-216	South Korea	Negative final	---
1984	701-TA-217	Spain	Affirmative final	Order revoked, July 31, 1985
1984	731-TA-191	Argentina	Negative final	---
1984	731-TA-192	Brazil	Affirmative preliminary	Petition withdrawn
1984	731-TA-193	South Korea	Affirmative preliminary	Petition withdrawn
1984	731-TA-194	Mexico	Affirmative preliminary	Petition withdrawn
1984	731-TA-195	Spain	Affirmative final	Order revoked, June 30, 1985
1985	701-TA-240	Austria	Affirmative preliminary	Petition withdrawn
1985	701-TA-241	Venezuela	Affirmative preliminary	Petition withdrawn
1985	701-TA-255	Canada	Affirmative final	Order revoked, July 10, 1991
1985	701-TA-256	Taiwan	Affirmative preliminary	Negative final determination by Commerce
1985	731-TA-249	Austria	Affirmative preliminary	Petition withdrawn
1985	731-TA-250	Romania	Affirmative preliminary	Petition withdrawn
1985	731-TA-251	Venezuela	Affirmative preliminary	Petition withdrawn

Date	Number	Country	Determination	Current Status of Order
1985	731-TA-275	Argentina	Affirmative preliminary	Negative final determination by Commerce
1985	731-TA-276	Canada	Affirmative final	Order revoked, August 22, 2000
1985	731-TA-277	Taiwan	Affirmative final	Order revoked, August 22, 2000
1986	701-TA-271	Israel	Affirmative final	Order revoked, March 1, 1993
1986	731-TA-318	Israel	Affirmative final	Order revoked, July 27, 1999
1995	701-TA-363	Austria	Negative final	---
1995	701-TA-364	Italy	Affirmative final	Order revoked, December 26, 2006
1995	731-TA-711	Argentina	Affirmative final	Order revoked, June 22, 2007
1995	731-TA-712	Austria	Negative final	---
1995	731-TA-713	Italy	Affirmative final	Order revoked, June 22, 2007
1995	731-TA-714	Japan	Affirmative final	Order revoked, June 22, 2007
1995	731-TA-715	South Korea	Affirmative final	Order revoked, June 22, 2007
1995	731-TA-716	Mexico	Affirmative final	Order revoked, June 22, 2007
1995	731-TA-717	Spain	Negative final	---
2002	701-TA-428	Austria	Negative preliminary	---
2002	731-TA-992	Austria	Negative preliminary	---
2002	731-TA-993	Brazil	Negative preliminary	---
2002	731-TA-994	China	Negative preliminary	---
2002	731-TA-995	Colombia	---	Petition withdrawn
2002	731-TA-996	France	Negative preliminary	---
2002	731-TA-997	Germany	Negative preliminary	---
2002	731-TA-998	India	Negative preliminary	---
2002	731-TA-999	Indonesia	Negative preliminary	---
2002	731-TA-1000	Romania	Negative preliminary	---
2002	731-TA-1001	South Africa	Negative preliminary	---
2002	731-TA-1002	Spain	Negative preliminary	---
2002	731-TA-1003	Turkey	Negative preliminary	---
2002	731-TA-1004	Ukraine	Negative preliminary	---
2002	731-TA-1005	Venezuela	Negative preliminary	---
2013	731-TA-1217	Philippines	Negative final	---
2013	731-TA-1218	Saudi Arabia	Affirmative preliminary	Investigation terminated by Commerce
2013	731-TA-1219	Taiwan	Affirmative final	Order revoked, July 28, 2017
2013	731-TA-1220	Thailand	Negative final	---

Date	Number	Country	Determination	Current Status of Order
2013	701-TA-499	India	Affirmative	Order continued after first review, August 12, 2020
2013	701-TA-500	Turkey	Affirmative	Order continued after first review, August 12, 2020
2013	731-TA-1215	India	Affirmative	Order continued after first review, August 12, 2020
2013	731-TA-1216	South Korea	Affirmative	Order continued after first review, August 12, 2020
2013	731-TA-1221	Turkey	Affirmative	Order continued after first review, August 12, 2020
2013	731-TA-1222	Ukraine	Affirmative	Order continued after first review, August 12, 2020
2013	731-TA-1223	Vietnam	Affirmative	Order continued after first review, August 12, 2020
2020	701-TA-463	China	Affirmative	Order continued after second review, December 3, 2020
2020	731-TA-1159	China	Affirmative	Order continued after second review, December 3, 2020

Source: U.S. International Trade Commission publications and Federal Register notices.

Note: "Date" refers to the year in which the investigation was instituted by the Commission.

Safeguard investigations

Following receipt of a request from the Office of the United States Trade Representative ("USTR") on June 22, 2001, the Commission instituted Investigation No. TA-201-73 under Section 202 of the Trade Act of 1974 to determine whether certain steel products, including seamless and welded OCTG, were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industries producing articles like or directly competitive with the imported article.⁷ On December 20, 2001, the Commission issued its determinations and remedy recommendations.⁸ The Commission made a negative determination with respect to OCTG.

⁷ 66 FR 35267, July 3, 2001.

⁸ 66 FR 67304, December 28, 2001.

Nature and extent of alleged subsidies and sales at LTFV

Alleged subsidies

On November 1, 2021, Commerce published a notice in the Federal Register of the initiation of its countervailing duty investigations on OCTG from Russia and South Korea.⁹ Commerce identified the following government programs in Russia and South Korea:^{10 11}

Russia

- A. Provision of Good and Services for Less Than Adequate Remuneration
 - 1. Provision of Natural Gas for Less Than Adequate Remuneration
- B. Lending Programs
 - 1. Preferential Loans Provided by State-Controlled Banks
 - 2. Preferential Loans for “Backbone” Enterprises
 - 3. Government Sureties For “Backbone” Enterprises
- C. Eximbank Programs
 - 1. High-Technology Exports Credit Support Program
 - 2. Tender Guarantees
 - 3. Guarantees of Return of Advance Payment
 - 4. Guarantees of Performance of Services Specified in Export Contract
 - 5. Payment Guarantees
- D. Grant Programs
 - 1. Transportation Grants for Designated High-Technology Products
 - 2. Grants For “Backbone” Enterprises
- E. Tax Programs
 - 1. Tax Deferrals For “Backbone” Enterprises

⁹ For further information on the alleged subsidy programs see Commerce’s notice of initiation and related CVD Initiation Checklist. 86 FR 60210, November 1, 2021.

¹⁰ Department of Commerce Enforcement and Compliance Office of AD/CVD Operations, CVD Initiation Checklist, Oil Country Tubular Goods from the Russian Federation, Case No. C-821-834, October 26, 2021, pp. 7-17.

¹¹ Department of Commerce Enforcement and Compliance Office of AD/CVD Operations, CVD Initiation Checklist, Oil Country Tubular Goods from the Republic of Korea, Case No. C- 580-913, October 26, 2021, pp. 7-41.

South Korea

- A. Electricity Programs
 - 1. Demand Response Resources Program
 - 2. Management of Electricity Factor Load Program (EFLP)
- B. Export Programs
 - 1. Korea Export-Import Bank (KEXIM) Export Growth Loans
 - 2. KEXIM Export Project Loans
 - 3. KEXIM Export Facilitation Loans
 - 4. KEXIM Import Loans
 - 5. KEXIM Import Facilitation Loans
 - 6. KEXIM Performance Guarantees
 - 7. KEXIM Structured Trade Financing
 - 8. KEXIM Payment Postponement
 - 9. KEXIM Liquidity Support Program
 - 10. KEXIM SME Speed-Up Loan Program
 - 11. KEXIM Emergency Financing Facility Program
 - 12. Korea Development Bank's (KDB's) Short-Term Discounted Loans for Export Receivables
 - 13. Korea Trade Insurance Corporation (K-SURE) Export Credit Insurance
 - 14. K-SURE Export Credit Guarantees
- C. Restriction of Special Taxation Act (RTSA) Tax Programs
 - 1. RSTA Article 10(1)(3) – Tax Credits for Research and Human Resources Development Expenses
 - 2. RSTA Article 11 – Tax Credits for Investment in Facilities for Research and Human Resources Development
 - 3. RSTA Article 22 – Exemption from Corporate Tax on Dividend Income from Investment in Overseas Resources Development
 - 4. RSTA Article 24 – Tax Credits for Investment, in Facilities for Improving Productivity
 - 5. RSTA Article 25 – Tax Credits for Investment, etc. in Safety Facilities
 - 6. RSTA Article 25-2 – Tax Credits for Investment in Energy-Saving Facilities
 - 7. RSTA Article 25-3 – Tax Credits for Investment in Facilities for Environmental Conservation
 - 8. RSTA Article 26 – Tax Credits for Employment-Creating Investment
 - 9. RSTA Article 104-14 – Tax Credits for Third Party Logistics Expenses

10. RSTA Article 104-15 – Special Taxation for Investment in Development of Overseas Resources
- D. Restriction of Special Local Taxation Act (RSLTA) Programs
1. RSLTA Article 78 – Acquisition and Property Tax Benefits to Companies in Industrial Complexes
 2. RSLTA Article 109 – Tax Credit for Investing in Facilities for Increasing Productivity
 3. RSLTA Article 110 – Tax Credit for Investing in Safety Facilities
 4. RSLTA Article 111 – Tax Credit for Investing in Energy-Saving Facilities
 5. RSLTA Article 112 – Tax Credit for Investing in Facilities for Environmental Conservation
 6. RSLTA Article 114 – Tax Credit for Employment-Creating Investment
- E. Other Programs
1. Loans for Overseas Resource Development from the Korean Energy Agency
 2. Grants for Overseas Resource Development
 3. Industrial Grants Pursuant to the Industrial Technology Innovation Promotion Act (ITIPA)
 4. Modal Shift Program
 5. Grants for Conversion into Environment-Friendly Industrial Structure
 6. Grants from the Ministry of Employment and Labor
 7. KDB's Funding of Industrial Restructuring
 8. KDB General Operating Financing Loans
 9. Incentives for Relocation to Regions Outside of Seoul Metropolitan Area
 10. Imsil Agricultural and Industrial Complex Infrastructure Expansion Project
 11. Assistance and Financial Support for New Convergence Industries and Manufacturers

Alleged sales at LTFV

On November 1, 2021, Commerce published a notice in the Federal Register of the initiation of its antidumping duty investigations on OCTG from Argentina, Mexico, and Russia.¹² Commerce has initiated antidumping duty investigations based on estimated dumping margins of 168.49 percent for OCTG from Argentina, 59.75 percent for OCTG from Mexico, and 136.96 percent for OCTG from Russia.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:¹³

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

Subject merchandise includes material matching the above description that has been finished, packaged, or otherwise processed in a third country, including by performing any heat treatment, cutting, upsetting, threading, coupling, or any other finishing, packaging, or processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the OCTG.

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

¹² 86 FR 60205, November 1, 2021.

¹³ 86 FR 60205 and 86 FR 60210, November 1, 2021.

Tariff treatment

Based upon the scope set forth by Commerce, information available to the Commission indicates that the merchandise subject to these investigations are imported under the following provisions of the Harmonized Tariff Schedule of the United States (“HTS”): 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150.¹⁴ The 2021 general rate of duty is “Free” for HTS subheadings 7304.29.10, 7304.29.20, 7304.29.31, 7304.29.41, 7304.29.50, 7304.29.61, 7305.20.20, 7305.20.40, 7305.20.60, 7305.20.80, 7306.29.10, 7306.29.20, 7306.29.31, 7306.29.41, 7306.29.60, and 7306.29.81.¹⁵ Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection (“CBP”).

Section 232 and 301 tariff treatment

OCTG

Effective March 23, 2018, OCTG imports originating in Russia and most nonsubject countries are subject to a 25 percent ad valorem duty under Section 232 of the Trade Expansion Act of 1962, as amended.¹⁶ See U.S. notes 16(a) and 16(b), subchapter III of HTS chapter 99.¹⁷

¹⁴ The merchandise subject to the investigation may also enter under the following HTS statistical reporting numbers: 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.39.0076, 7304.39.0080, 7304.59.6000, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, 7304.59.8070, 7304.59.8080, 7305.31.4000, 7305.31.6090, 7306.30.5055, 7306.30.5090, 7306.50.5050, and 7306.50.5070. USITC, HTSUS (2021) Basic Revision 8, Publication 5225, October 2021, pp. 73-10, 73-13, 73-15, 73-17, 73-19.

¹⁵ USITC, HTSUS (2021) Basic Revision 8, Publication 5225, October 2021, pp. 73-6 – 73-8, 73-15 – 73-16.

¹⁶ Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. §1862), authorizes the President, on advice of the Secretary of Commerce, to adjust the imports of an article and its derivatives that are being imported into the United States in such quantities or under such circumstances as to (continued...)

OCTG imports originating in Mexico are currently exempted from Section 232 duties and quotas. OCTG imports originating in Argentina or Korea are also exempted from Section 232 duties but are subject to aggregate absolute import quotas of 147,963,294 kilograms (163,102 short tons) per year for Argentina and 460,867,818 kilograms (508,020 short tons) per year for Korea.¹⁸ The history of Section 232 Presidential proclamations is included in appendix D. Finally, effective September 1, 2019, imports of nonsubject OCTG originating in China became subject to an additional 7.5 percent ad valorem duty under Section 301 of the Trade Act of 1974, as amended.¹⁹

(...continued)

threaten to impair the national security. Adjusting Imports of Steel Into the United States, Presidential Proclamation 9705, March 8, 2018, 83 FR 11625, March 15, 2018.

¹⁷ USITC, HTSUS (2021) Basic Revision 8, Publication 5225, October 2021, pp. 99-III-5 – 99-III-6.

¹⁸ Section 232 import duties cover all countries of origin except for Argentina, Australia, Brazil, Canada, Mexico, and Korea. Imports from Australia, Canada, and Mexico are exempted from Section 232 duties and quotas, while imports from Argentina, Brazil, and Korea are exempted from duties but are instead subject to absolute quotas. Effective January 1, 2022, Section 232 duties for EU member states will be replaced with a tariff-rate quota. Imports from EU member states of steel products subject to section 232 steel tariffs that exceed the quota will continue to be subject to a Section 232 duty of 25 percent. CBP, “Trade Remedies,” <https://www.cbp.gov/trade/programs-administration/trade-remedies/section-232-trade-remedies-aluminum-and-steel>; “QB 21-604 2021 Fourth Quarter Absolute Quota for Steel Mill Articles of Argentina, Brazil and South Korea,” <https://www.cbp.gov/trade/quota/bulletins/qb-21-604-2021-fourth-quarter-absolute-quota-steel-mill-articles-argentina-brazil-and>, retrieved October 13, 2021. Office of the United States Trade Representative, “Announcement of Actions on EU Imports Under Section 232,” October 31, 2021, <https://ustr.gov/sites/default/files/files/Statements/US%20232%20EU%20Statement.pdf>.

¹⁹ Section 301 of the Trade Act, as amended (19 U.S.C. § 2411) authorizes the Office of the United States Trade Representative (“USTR”), at the direction of the President, to take appropriate action to respond to a foreign country’s unfair trade practices. Following investigations into “China’s acts, policies, and practices related to technology transfer, intellectual property, and innovation” (82 FR 40213, August 24, 2017), USTR published its determination, on April 6, 2018, that the acts, policies, and practices of China under investigation are unreasonable or discriminatory and burden or restrict U.S. commerce, and are thus actionable under section 301(b) of the Trade Act (83 FR 14906, April 6, 2018).

Effective September 1, 2019, USTR included OCTG in its \$300 Billion Trade Action (List 4 or Tranche 4, Annex A) of products originating in China subject to an initial 10 percent ad valorem duty (84 FR 43304, August 20, 2019) which was subsequently raised to 15 percent ad valorem, with the same effective date of September 1, 2019 (84 FR 45821, August 30, 2019), but was more recently reduced to 7.5 percent ad valorem, effective February 14, 2020 (85 FR 3741, January 22, 2020).

See also HTS heading 9903.88.15 and U.S. notes 20(r) and 20(s) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTSUS (2021) Basic Revision 8, USITC Publication 5225, October 2021, pp. 99-III-82 – 99-III-84, 99-III-94, 99-III-246, 99-III-248 – 99-III-251.

Hot-rolled steel sheet

Hot-rolled steel sheet in coil form (“hot-rolled coil”) is not a subject product, but it is used to manufacture welded OCTG. Effective March 23, 2018, hot-rolled coil imports originating in Russia and most nonsubject countries are subject to a 25 percent ad valorem duty under Section 232 of the Trade Expansion Act of 1962, as amended.²⁰ See U.S. notes 16(a) and 16(b), subchapter III of HTS chapter 99.²¹ Hot-rolled coil imports originating in Mexico are currently exempted from Section 232 duties and quotas. Hot-rolled coil imports originating in Argentina or Korea are also exempted from Section 232 duties but are subject to aggregate absolute import quotas of 6,475,837 kilograms (7,138 short tons) per year for Argentina and 404,694,045 kilograms (446,099 short tons) per year for Korea.²² Finally, effective September 1, 2019, imports of hot-rolled coil originating in China became subject to an additional 7.5 percent ad valorem duty under Section 301 of the Trade Act of 1974, as amended.²³

²⁰ Adjusting Imports of Steel Into the United States, Presidential Proclamation 9705, March 8, 2018, 83 FR 11625, March 15, 2018.

²¹ USITC, HTSUS (2021) Basic Revision 8, Publication 5225, October 2021, pp. 99-III-5 – 99-III-6.

²² CBP, “QB 21-604 2021 Fourth Quarter Absolute Quota for Steel Mill Articles of Argentina, Brazil and South Korea,” <https://www.cbp.gov/trade/quota/bulletins/qb-21-604-2021-fourth-quarter-absolute-quota-steel-mill-articles-argentina-brazil-and>, retrieved October 13, 2021.

²³ Effective September 1, 2019, USTR included hot-rolled coil in its \$300 Billion Trade Action (List 4 or Tranche 4, Annex A) of products originating in China subject to an initial 10 percent ad valorem duty (84 FR 43304, August 20, 2019) which was subsequently raised to 15 percent ad valorem, with the same effective date of September 1, 2019 (84 FR 45821, August 30, 2019), but was more recently reduced to 7.5 percent ad valorem, effective February 14, 2020 (85 FR 3741, January 22, 2020).

See also HTS heading 9903.88.15 and U.S. notes 20(r) and 20(s) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTSUS (2021) Basic Revision 8, USITC Publication 5225, October 2021, pp. 99-III-82 – 99-III-84, 99-III-93, 99-III-246, 99-III-248 – 99-III-251.

The product

Description and applications²⁴

OCTG consists primarily of casing and tubing of carbon and alloy steel used in the drilling of oil and gas wells and in the conveying of oil and gas from within the well to ground level.²⁵ OCTG are manufactured by either the seamless or welded process. Both seamless OCTG and welded OCTG are used in drilling and conveyance applications, although seamless OCTG generally is required for use in high-pressure or sour service environments.²⁶ A sour service well contains hydrogen sulfide gas which can potentially result in sulfide stress cracking in the welded seam of welded OCTG.²⁷ A well containing a higher level of hydrogen sulfide gas would require seamless OCTG, but welded OCTG reportedly can be used in some sour service applications where there are lower levels of hydrogen sulfide gas present in the well.²⁸

²⁴ Unless otherwise noted, this information is based on *Certain oil Country Tubular Goods from India, Korea, Turkey, Ukraine, and Vietnam, Inv. Nos. 701-TA-499-500 and 731-TA-1215-1216, 1221-1223 (Review)*, USITC Publication 5090, July 2020, pp. I-20 through I-26.

²⁵ The American Iron and Steel Institute (AISI) has defined six end use categories for steel pipe and tube: standard pipe, line pipe, structural pipe and tubing, mechanical tubing, pressure tubing, and oil country tubular goods. Standard, line, and pressure pipe is generally intended to convey liquids and is typically tested and rated for its ability to withstand hydrostatic pressure. Structural pipe and tubing are used for load-bearing purposes and construction, and only small amounts of seamless pipe are used in structural applications. Seamless mechanical tubing is typically a custom-designed product employed within the automotive industry and by equipment manufacturers.

²⁶ Conference transcript, pp. 100–01 (Buono, Tait), 168–69 (Lange), 206–07 (Cura), Respondent TMK’s postconference brief, p. 10.

²⁷ Conference transcript, pp. 100–01 (Buono, Tait), 168–69 (Lange).

²⁸ Conference transcript, pp. 100–01 (Buono, Tait).

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

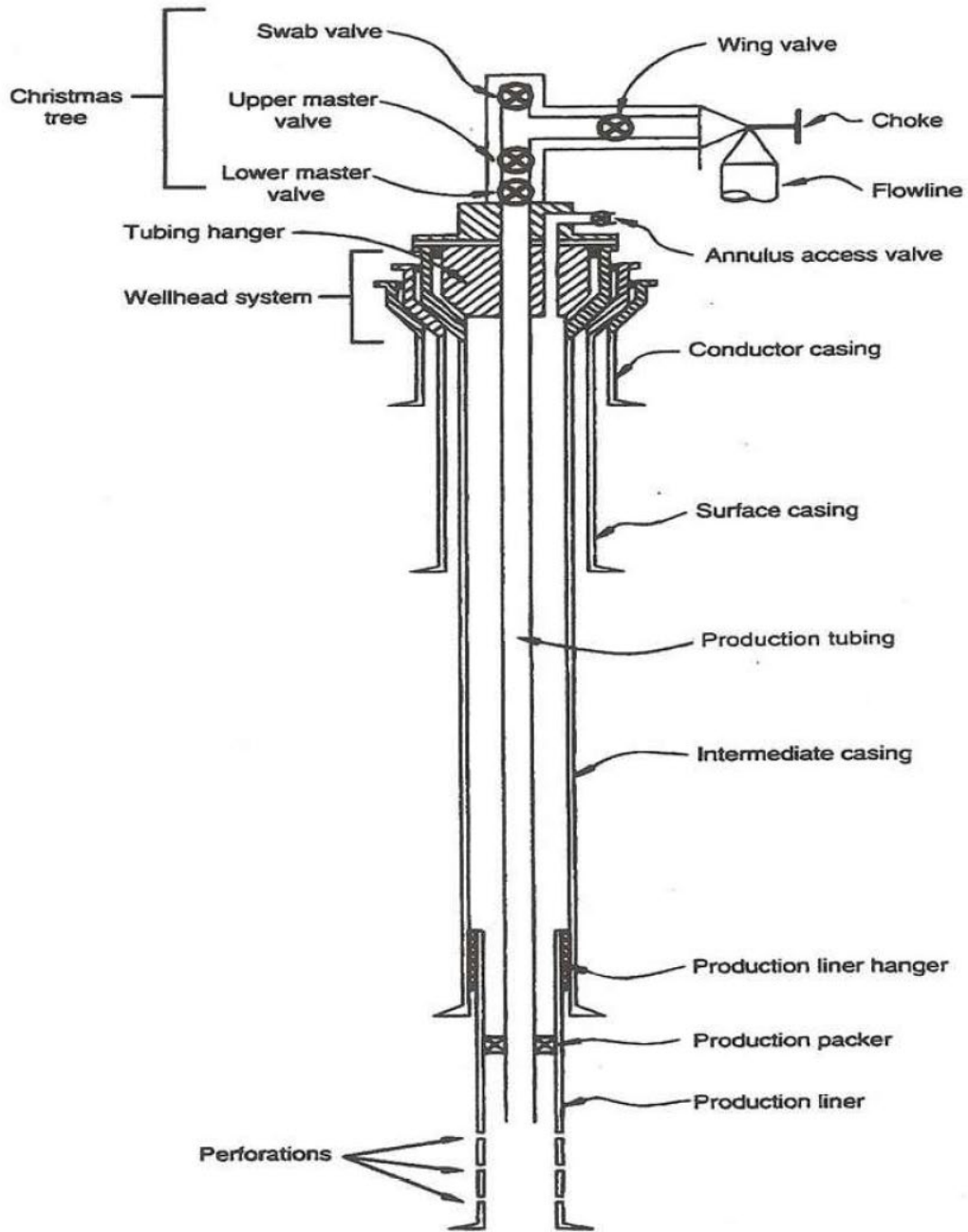
Advancements in oil and gas exploration technologies, including advanced horizontal drilling²⁹ and hydraulic fracturing (figure I-3),³⁰ have enabled oil and gas wells to reach locations that were previously deemed cost-prohibitive. In addition, the application of new technologies permits more wells per acre, thus increasing oil and gas production and recoverable reserves.

²⁹ Horizontal drilling is a variant of directional drilling in which vertical drilling within a well turns horizontal with the reservoir rock to expose more of the wellbore to the oil or natural gas. More oil and natural gas can be produced from fewer wells with less surface disturbance. American Petroleum Institute (API), “Advanced Drilling Techniques,” found at <http://www.api.org/oil-and-natural-gas-overview/exploration-and-production/natural-gas/advanced-drilling>, retrieved October 15, 2021. On October 15, 2021, 90 percent of active rotary rigs (593 rigs) in the United States employed horizontal drilling, while 8 percent (23 rigs) employed directional drilling; the remaining 2 percent (7 rigs) employed vertical drilling. Baker Hughes International Inc., “North American Rotary Rig Count,” October 15, 2021, found at <https://rigcount.bakerhughes.com/static-files/55ff50da-ac65-410d-924c-fe45b23db298>, retrieved October 18, 2021. The footage of onshore wells drilled in the United States *** from *** feet in 2018 to *** feet in 2020. Footage drilled was projected to *** to *** feet in 2021. ***.

³⁰ Hydraulic fracturing (commonly referred to as “fracking”) requires the high-pressure injection of a mixture of water, sand, and chemicals through the well and into the surrounding shale rock formations, creating a network of narrow fractures in the rock. The fractures allow more oil and natural gas to enter through perforations made in the casing and tubing.

Figure I-1

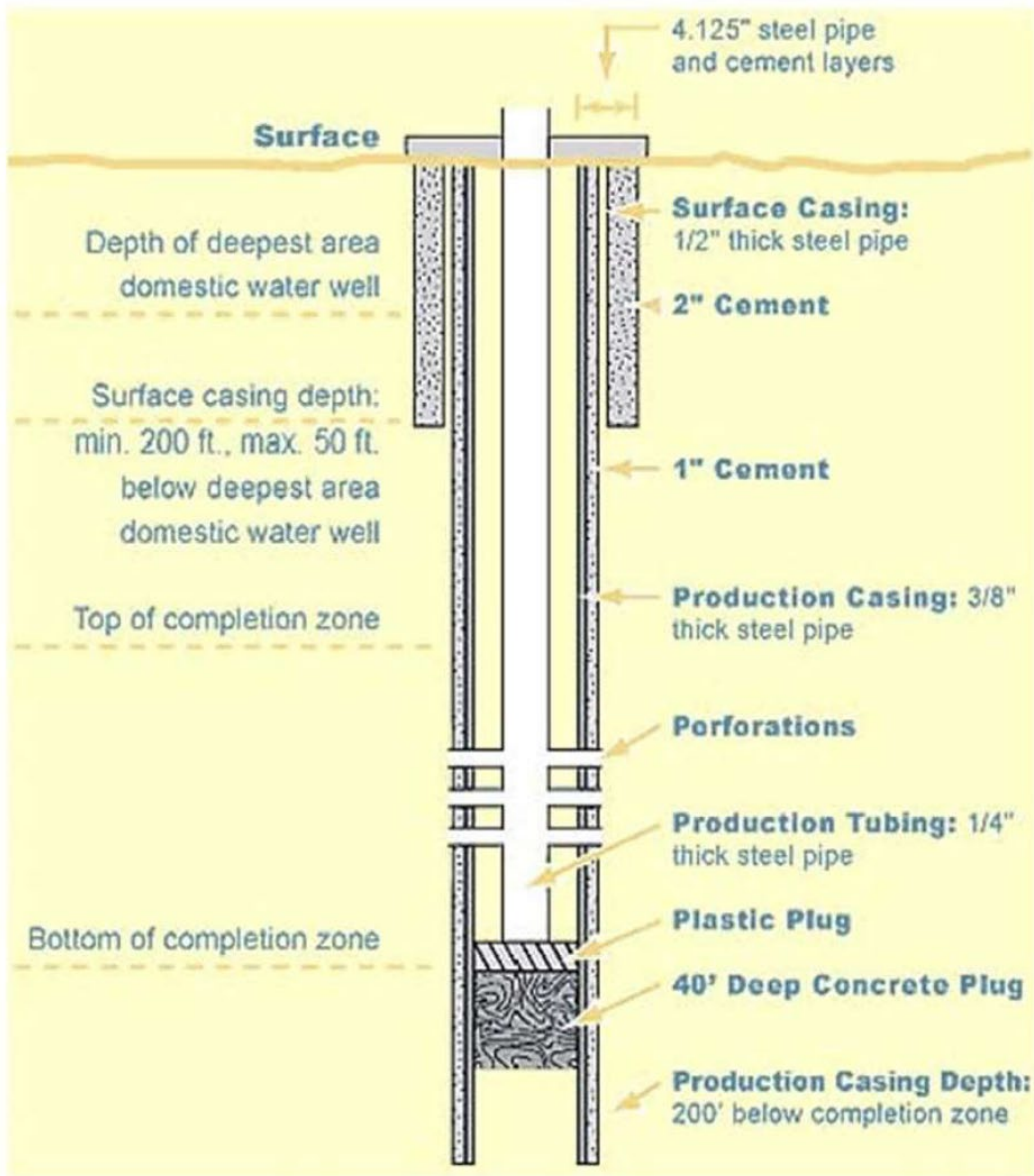
Casing and tubing: Simplified diagrammatic representation of a well showing the casing strings and production tubing



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

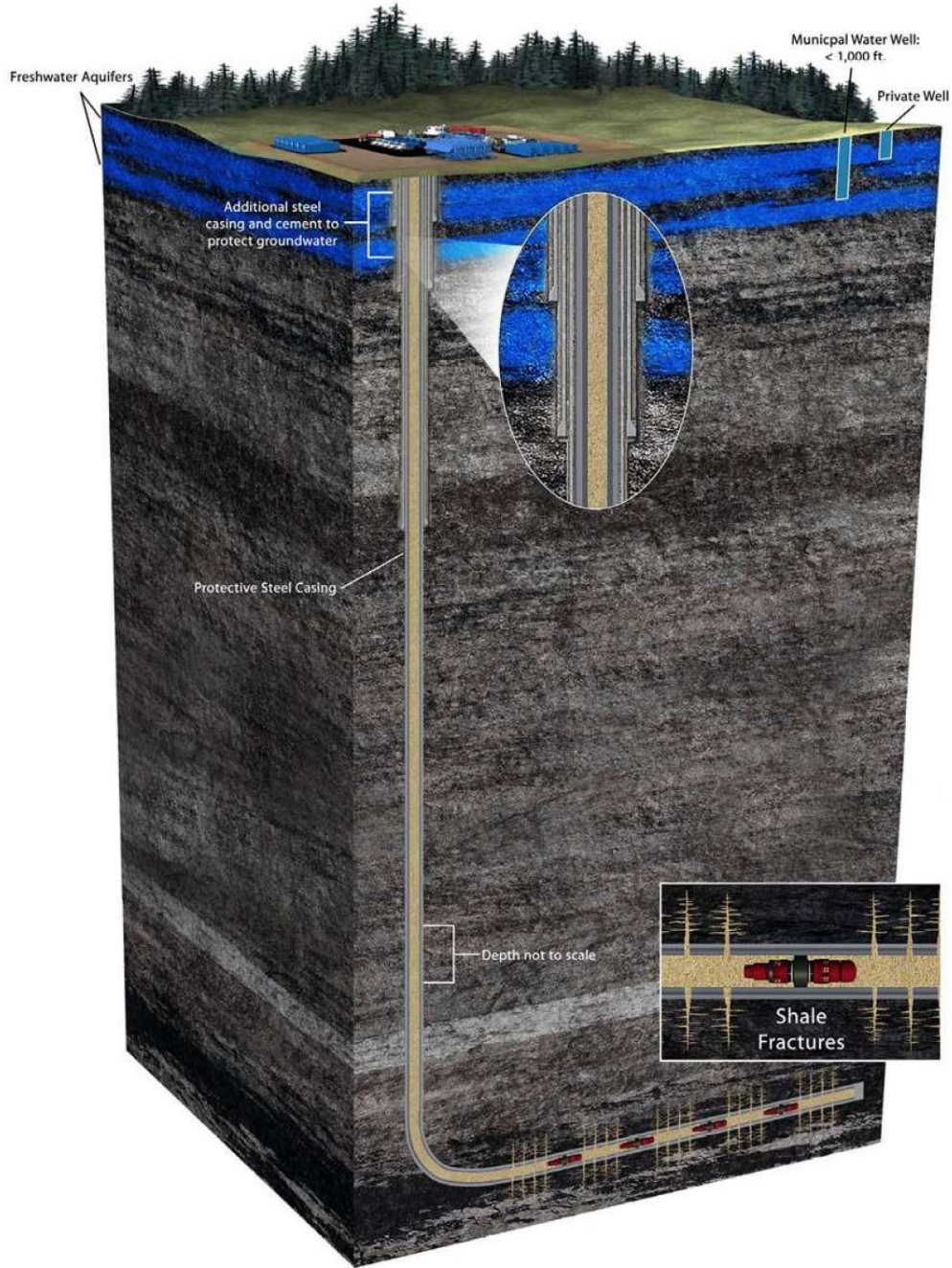
Figure I-2

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



Source: The Energy Council, "Facts," found at <https://energycouncil.org/facts/#about-natural-gas>, retrieved October 15, 2021.

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



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

Casing is a circular pipe that serves as a structural retainer for the walls of the well. Casing typically has an outside diameter (OD) ranging from 4.5 inches to 20 inches and a length typically ranging from 34 feet to 48 feet. Casing provides a firm foundation for the drill string³¹ by supporting the walls of the hole to prevent caving in or wall collapse both during drilling and after the well is completed. After the casing is set in the well hole, concrete is usually pumped into the annulus (the space between the well wall and the casing) until the annulus is filled.

Casing also serves as a surface pipe designed to prevent contamination of the recoverable oil and gas by surface water, gas, sand, or limestone. Casing must be sufficiently strong to carry its own weight, as well as to resist both external pressure and pressure within the well. Casing can be threaded at both ends and connected with other casing pieces with couplings or connectors. Because the amount of open hole that can be drilled at any one time is limited, larger wells require a string of concentric layers of casing rather than a single casing. Several sizes of casing may be set inside the well after it has been drilled, with the larger sizes set at the top of the well, and the smaller sizes set toward the bottom.

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

The API specification 5CT designates 11 separate grades of casing and tubing, identified by a letter and a number: H40, J55, K55, N80, L80, C90, R95, T95, P110, C110, and Q125.³² The API grade letter is an arbitrary designation, while the number refers to minimum yield strength in thousands of pounds per square inch (“ksi”).³³ In addition, an API grade may be further delineated by chemical composition, method of production (i.e., seamless or welded), dimension, heat treatment, testing procedures, and other engineering specifications, depending on customers’ requirements.³⁴ Most API grades provide for seamless and welded

³¹ The drill string consists of drill pipe, drill collars, and the drill bit.

³² Techstreet Store, “API SPEC 5CT.” https://www.techstreet.com/standards/api-spec-5ct?product_id=2016190.

³³ Thus, Q125 has a higher yield strength than grades J55 or K55 (J55 and K55 differ with respect to minimum tensile strengths).

³⁴ For example, Grade L80, type 9Cr must contain 8-10 percent chromium by weight, be produced by the seamless manufacturing process, and be tempered and quenched.

production methods.³⁵ API 5CT specifications require the seamless manufacturing process for grades ***, while grades *** can be produced using either the seamless or welded process.³⁶ API grades H40, J55, and K55 generally refer to carbon grades that have lower minimum yield strengths and that do not require heat treatment. API grades N80, L80, P110, and Q125 generally refer to alloy grades (due to the inclusion of additional alloying elements in the steel) that have minimum yield strengths greater than 80,000 ksi and require heat treatment.

Heat treatment enhances particular physical characteristics, including greater yield and tensile strengths. Generally, as the depth and pressure in a well increases, heat treated OCTG would be required because of its higher strength. Shallow (close to the surface) OCTG applications that are not subject to greater pressure do not require heat treated OCTG. However, in limited sour service environments where stronger OCTG does not perform well, OCTG that has not been heat treated would be required.³⁷ Heat treated OCTG is generally more expensive than OCTG that has not been heat treated.³⁸

As noted above, not all OCTG requires heat treatment. For OCTG that may require heat treatment there are two categories of tubular products. Tubular products in the first category are often referred to as “green tube” (or less frequently “green pipe”) and typically meet certain basic API requirements, such as those for diameter and wall thickness. The underlying steel is produced to a customer’s specification so that the green tube can be converted into the required casing or tubing product, but the green tube itself is not sold “at grade.”

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

Upgradeable OCTG that meets the minimum specifications for lower-grade API 5CT casing and tubing (i.e., H40 and J55) can be certified to those grades and used in applications

³⁵ Conference transcript, pp. 60, 101–02 (Buono).

³⁶ Grade *** must be produced by the seamless manufacturing process, while grade *** can be produced using either the seamless or welded process. Petitioners’ postconference brief, Exhibit 10.

³⁷ A representative of B&L Pipeco Services Inc. estimated that OCTG that has not been heat treated would only be required in about 2 percent of uses. Conference transcript, pp. 102–03 (Tait).

³⁸ Conference transcript, pp. 104 (Hanley).

not requiring additional heat treatment.³⁹ Alternatively, depending on its steel composition and wall thickness, upgradeable OCTG that meets non-heat treatable API grades of casing and tubing can be subsequently heat treated to increase yield and tensile strengths in order to meet the minimum specifications for higher-grade API 5CT casing and tubing (e.g., P110).⁴⁰

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

Limited service OCTG is OCTG that does not meet API specifications but can still be used in certain OCTG applications such as in shallower wells with lower pressure. Limited service OCTG is sold without the same warranties that would come with OCTG that meets API specifications.⁴¹

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

Manufacturing processes⁴²

OCTG mills manufacture casing and tubing by either of two distinct types of operations: the seamless process or the electric-resistance-welding (“ERW”) process, a lower-cost method than the seamless process. By contrast, mills manufacture coupling stock for OCTG couplings exclusively through the seamless process.

³⁹ Green tube certified to these grades undergo further finishing operations, including threading.

⁴⁰ API 5CT grades H40, J55, and K55 do not require heat treatment (although grades J55 and K55 can be heat treated at the manufacture’s option). API grades N80 (types I and II), L80, C90, C95, T95, P110, and Q125 require some form of heat treatment. All grades are threaded in one form or another to finish the pipe.

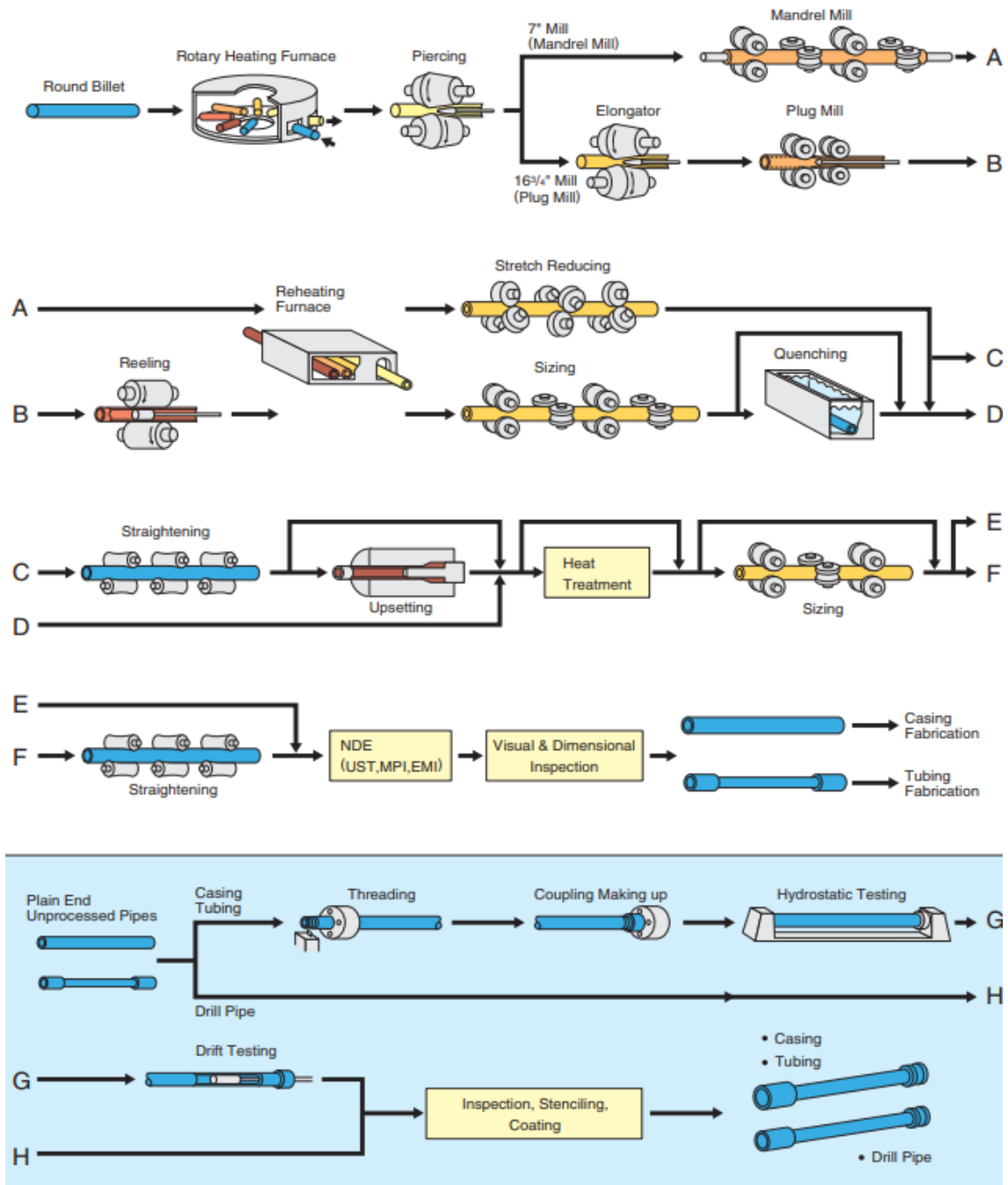
⁴¹ Conference transcript, pp. 97–99 (Meisner, Tait, Hanley).

⁴² Unless otherwise noted, this information is based on *Certain oil Country Tubular Goods from India, Korea, Turkey, Ukraine, and Vietnam, Inv. Nos. 701-TA-499-500 and 731-TA-1215-1216, 1221-1223 (Review)*, USITC Publication 5090, July 2020, pp. I-27 through I-34.

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

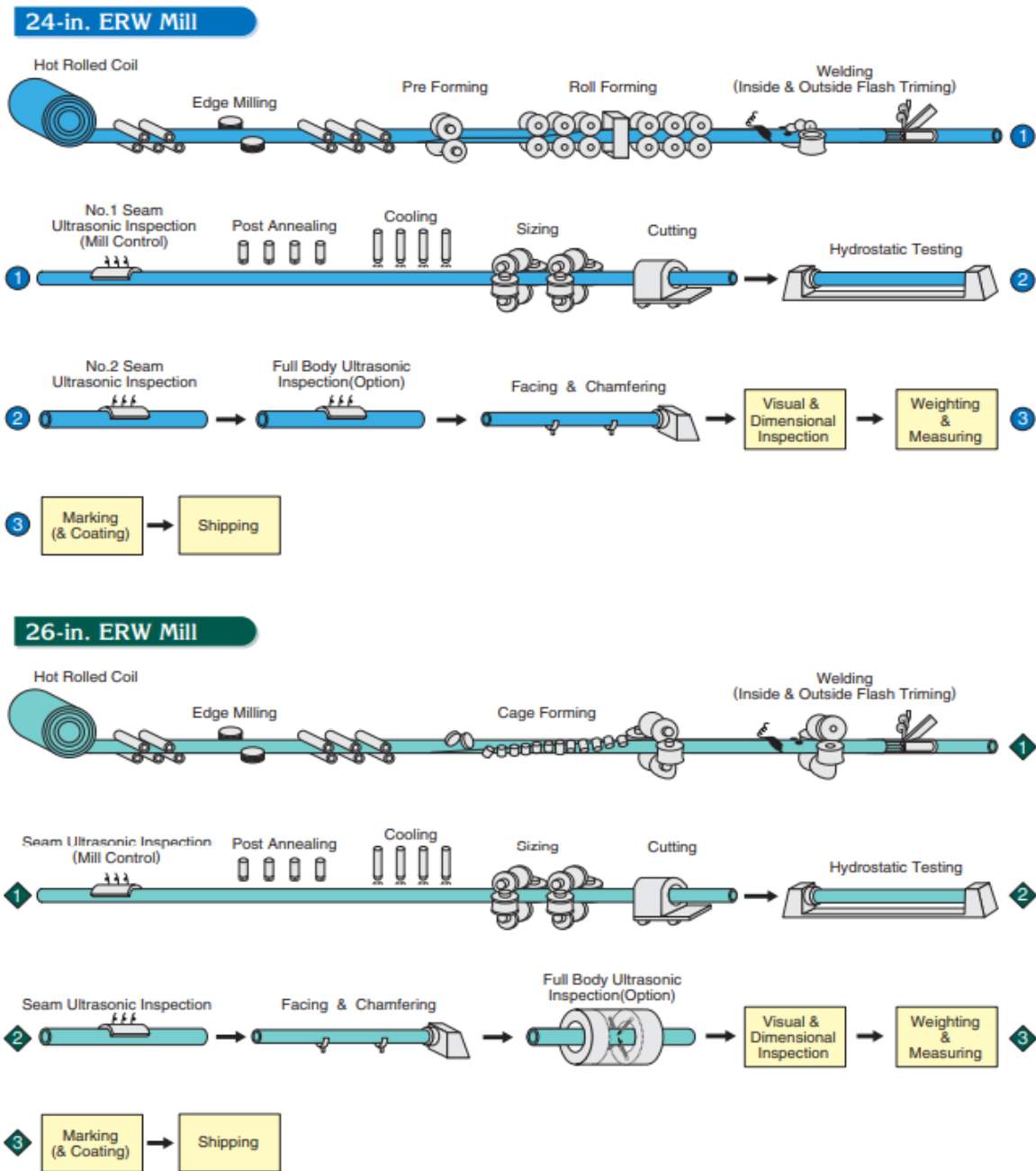
Welded OCTG is manufactured from hot-rolled steel sheet in coil form ("hot-rolled coil") (figure I-5). The hot-rolled coil is slit to the width that corresponds to the desired diameter of tube. The slit hot-rolled coil passes through a series of rollers while at ambient temperature and forms a tubular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

Figure I-4
Casing and tubing: Seamless manufacturing process



Source: JFE Steel Corporation, OCTG (Product Catalog), found at <https://www.jfe-steel.co.jp/en/products/pipes/catalog/e1e-012.pdf>, retrieved October 15, 2021.

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



Source: JFE Steel Corporation, OCTG (Product Catalog), found at <https://www.jfe-steel.co.jp/en/products/pipes/catalog/e1e-012.pdf>, retrieved October 15, 2021.

Finishing phase

After the forming phase, the pipe body is heat-treated, and its ends upset, threaded and coupled, as needed. U.S. pipe mills typically are equipped with the facilities necessary to perform these processes. Independent processors operate facilities that are capable of full-body heat treatment and that may upset pipe ends.⁴³ Threaders are capable of threading and coupling, hydrostatic testing, and measuring the length of OCTG products. Some processors and threaders may also manufacture couplings that become part of finished OCTG. Processors and threaders mainly serve imports, since OCTG are often imported with plain ends, and are heat treated, upset, and threaded in the United States. This approach provides the flexibility to offer casing and tubing in compliance with a variety of specifications, thus allowing them to serve a wide range of consumer needs.

Heat treatment

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

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

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

⁴³ API defines a processor as: “firm, company, or corporation that operates facilities capable of heat treating pipe made by a pipe mill.” Most processors typically perform threading operations, although many threaders do not perform processing operations. Discussion of independent threaders is limited in this report, as the Commission in past OCTG investigations has not deemed independent threaders to be part of the domestic industry producing casing and tubing. *Oil Country Tubular Goods from Argentina, Italy, Japan, Korea, and Mexico, Investigation Nos. 731-TA-711 and 713-716 (Second Review)*, USITC Publication 3923, June 2007, p. 9. *Certain oil Country Tubular Goods from India, Korea, Turkey, Ukraine, and Vietnam, Inv. Nos. 701-TA-499-500 and 731-TA-1215-1216, 1221-1223 (Review)*, USITC Publication 5090, July 2020, pp. 7–8, I-30.

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

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

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

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

Upsetting and threading

Casing and tubing are finished by threading and the attachment of a suitable coupling to one end of each length. If additional strength in the joint is required, such as for some casing or tubing that is subject to severe or sour service,⁴⁴ the ends of the pipe are upset before threads are cut. In the upsetting process, the end of the pipe is heated to forging temperature, and then inserted endwise into an upsetting machine. The machine pushes the hot metal back, creating a thicker wall at the end of the pipe. The upsetting may be controlled to displace the extra thickness to the inside or the outside of the pipe.

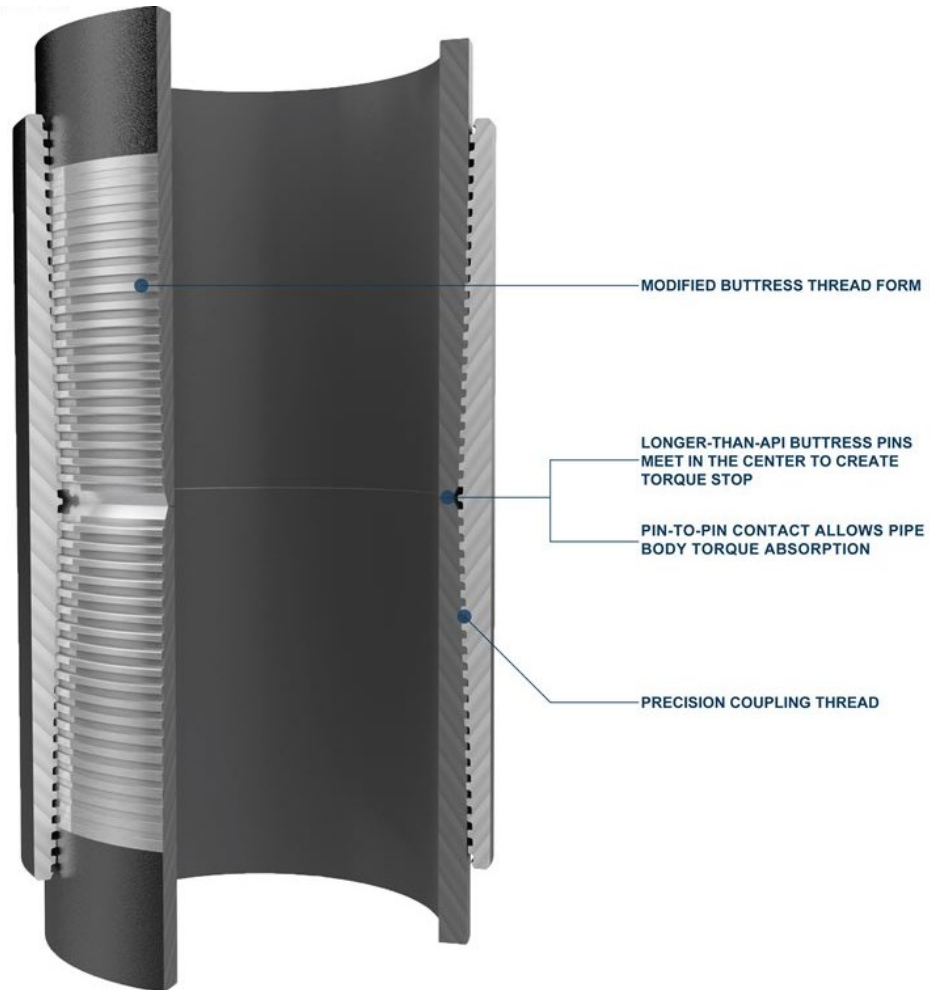
Casing and tubing can be joined directly using male (outer) and female (inner) threading, or by using couplings with female threads on each end. Typically, the pipe is mounted on a lathe and threads are cut by using sharp steel cutting tools (called chasers), which are mounted on a threading die surrounding the pipe. As the pipe is turned on the lathe, the threading die moves along the pipe's axis, producing the required spiral cut on the inner or outer surface of the pipe. Threading can be made to meet API standards, or made to proprietary standards that are designed, registered, and protected by patents or other intellectual property rights

⁴⁴ Sour crude oil or sour gas is defined as an oil/gas containing common impurities such as water, carbon dioxide, hydrogen sulfide, and oxygen, which are mixed in with the oil/gas during extraction. These impurities corrode or cause cracking in steel; albeit, without any observable change in appearance prior to failure.

mechanism and that are not specified by API standards. For instance, OCTG producers may market proprietary “semi-premium” or “premium” threaded connections that provide higher torsional loads, bending resistance, or greater sealability for casing in challenging drilling environments. Premium threaded connections generally refer to OCTG connections that have a metal-to-metal, gas-tight seal to ensure pressure integrity. Semi premium connections generally refer to connections that do not have a metal-to-metal seal, yet maintain water-tight sealability, and thus may be used in less demanding wells with no gas-tight sealability requirements. Examples of threaded and coupled semi premium and premium connections are shown in figures I-6 and I-7. After threading, a thread protector is applied to the threaded pipe ends during handling, transportation, or storage.⁴⁵

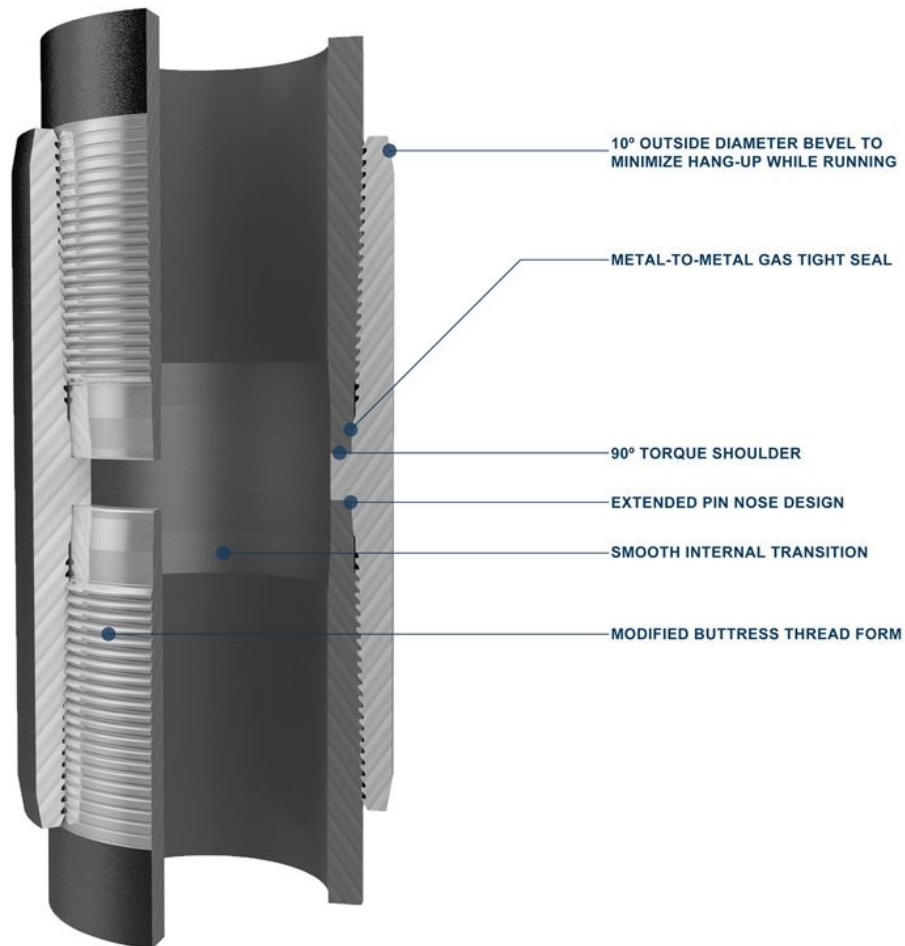
⁴⁵ Threading can be performed after transportation to avoid damage caused by movement, water, or weather. Damaged threads can cause expensive ruptures of the pipe string in casing and tubing applications where pipes are connected to one another by threaded joints.

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



Source: U.S. Steel Tubular Products, "USS-CDC® Semi-Premium OCTG Connections," found at <https://usstubular.com/octg-products-and-services/octg-connections/semi-premium-connections/uss-cdc/>, retrieved October 15, 2021.

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



Source: U.S. Steel Tubular Products, "USS-PATRIOT EBM® Premium OCTG Connections," found at <https://usstubular.com/octg-products-and-services/octg-connections/premium-connections-metal-to-metal-seal/uss-patriot-ebm/>, retrieved October 15, 2021.

Domestic like product issues

No issues with respect to domestic like product have been raised in these investigations.⁴⁶ Petitioners argue that the record, coupled with the Commission's findings in previous OCTG proceedings, shows there is a single domestic like product, coextensive with the scope of the current investigations.⁴⁷ Respondents stated that for the purposes of the preliminary phase of these investigations, they were not going to contest that there is a single domestic like product.⁴⁸

⁴⁶ Firms were asked to provide information regarding factors the Commission considers for semi-finished product analysis. U.S. producers' responses are presented in appendix E.

⁴⁷ Petitioners' postconference brief, pp. 5-6.

⁴⁸ Conference transcript, p. 165 (Spak).

Part II: Conditions of competition in the U.S. market

U.S. market characteristics

OCTG, whether seamless or welded, includes casing and tubing for use in oil and natural gas exploration and production. Both vertical drilling and horizontal drilling employ casing for structural integrity and tubing for liquid and gas flow (including traditional extraction and hydraulic fracturing or “fracking,” which requires a high-pressure injection of fracturing fluid into the well). Since January 2000, the production of horizontal wells has increased relative to vertical wells.¹ Horizontal wells now constitute the vast majority of the oil and natural gas wells in the United States.² Moreover, horizontal wells typically require more casing and tubing than vertical wells because of the greater drilling distances (in terms of footage), which has caused the average amount of OCTG required per well to increase over time.³

Since 2018, however, apparent U.S. consumption has decreased in terms of both quantity and value. Overall apparent U.S. consumption in terms of quantity in 2020 was 53.5 percent lower than in 2018 and it was 60.4 percent lower in terms of value. Apparent consumption in the first half of 2021 was 9.5 percent higher in terms of quantity and 6.3 percent higher in terms of value compared to the first quarter of 2020.

¹ EIA, <https://www.eia.gov/todayinenergy/detail.php?id=34732>.

² Baker-Hughes North America Rotary Rig Count.

³ EIA, <https://www.eia.gov/todayinenergy/detail.php?id=34732>.

Channels of distribution

Table II-1 presents channels of distribution for OCTG in the U.S. market. U.S. mills and non-toll processors sold OCTG mainly to distributors, although mill sales directly to end users increased during 2018-21. This shift in the channels of distribution of U.S. mills reflected a decrease in sales to distributors by a plurality of U.S. producers, as opposed to an increased volume of sales to end users. Importers likewise sold OCTG predominantly to distributors. However, the *** importer of OCTG from Argentina and Mexico, Tenaris, sold OCTG *** to end users.

Table II-1
OCTG: Share of U.S. shipments by source, channel of distribution, and period

Shares in percent

Source	Channel	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
United States: Mills	Distributors	***	***	***	***	***
United States: Mills	Processors	***	***	***	***	***
United States: Mills	End users	***	***	***	***	***
United States: Non-toll processors	Distributors	***	***	***	***	***
United States: Non-toll processors	Processors	***	***	***	***	***
United States: Non-toll processors	End users	***	***	***	***	***
Argentina	Distributors	***	***	***	***	***
Argentina	Processors	***	***	***	***	***
Argentina	End users	***	***	***	***	***
Mexico	Distributors	***	***	***	***	***
Mexico	Processors	***	***	***	***	***
Mexico	End users	***	***	***	***	***
Russia	Distributors	***	***	***	***	***
Russia	Processors	***	***	***	***	***
Russia	End users	***	***	***	***	***
South Korea	Distributors	***	***	***	***	***
South Korea	Processors	***	***	***	***	***
South Korea	End users	***	***	***	***	***
Subject	Distributors	***	***	***	***	***
Subject	Processors	***	***	***	***	***
Subject	End users	***	***	***	***	***
Nonsubject	Distributors	***	***	***	***	***
Nonsubject	Processors	***	***	***	***	***
Nonsubject	End users	***	***	***	***	***
All imports	Distributors	***	***	***	***	***
All imports	Processors	***	***	***	***	***
All imports	End users	***	***	***	***	***

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

Geographic distribution

U.S. producers and importers reported selling OCTG to all regions of United States, with all U.S. importers and all but one U.S. producer selling to the Central Southwest region (table II-2). Importers of OCTG from Russia reported sales to only ***. No importers of OCTG from South Korea reported sales to the Pacific Coast region.

For U.S. producers, 18.1 percent of sales were within 100 miles of their production facility, 55.1 percent were between 101 and 1,000 miles, and 26.8 percent were over 1,000 miles. Importers sold 61.9 percent within 100 miles of their U.S. point of shipment, 22.0 percent between 101 and 1,000 miles, and 16.1 percent over 1,000 miles.

Table II-2
OCTG: Count of U.S. producers' and U.S. importers' geographic markets

Region	U.S. producers	Argentina	Mexico	Russia	South Korea	Subject sources
Northeast	8	***	***	***	***	3
Midwest	8	***	***	***	***	3
Southeast	5	***	***	***	***	3
Central Southwest	11	***	***	***	***	11
Mountain	7	***	***	***	***	3
Pacific Coast	5	***	***	***	***	1
Other	4	***	***	***	***	1
All regions (except Other)	5	***	***	***	***	1
Reporting firms	12	1	2	5	5	11

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

Note: Other U.S. markets include AK, HI, PR, and VI.

Impact of section 232 tariffs

U.S. producers and importers were asked to report the impact of section 232 tariffs on aluminum and steel products on the overall demand, supply, prices, and raw material costs for OCTG (table II-3). The majority of U.S. producers and importers reported that section 232 tariffs caused the supply of domestic OCTG to increase and the supply of imported OCTG to decrease. U.S. producers' responses on the impact of section 232 tariffs on the price of OCTG were mixed while a majority of importers reported that section 232 tariffs had increased the price of OCTG. U.S. producers' and importers' responses on the impact of section 232 tariffs on domestic demand were mixed. U.S. producers' responses on the impact of section 232 tariffs on raw material costs for seamless OCTG were mixed while a majority of U.S. producers reported that raw material costs for welded OCTG increased as a result of section 232 tariffs. A majority of

importers reported that section 232 tariffs had increased raw material costs for seamless and welded OCTG.

Table II-3
OCTG: Firms' responses regarding the impact of the 232 tariffs

Count in number of firms reporting

Factor	Firm type	Increase	No change	Decrease	Fluctuate
Supply of domestic OCTG	U.S. producers	6	2	2	0
Supply of domestic OCTG	Importers	13	3	2	2
Supply of imported OCTG	U.S. producers	2	0	6	1
Supply of imported OCTG	Importers	1	0	18	2
Prices for OCTG	U.S. producers	2	3	1	5
Prices for OCTG	Importers	12	4	1	6
Domestic demand for OCTG	U.S. producers	1	5	3	2
Domestic demand for OCTG	Importers	0	8	6	8
Raw material costs for seamless OCTG	U.S. producers	2	1	1	3
Raw material costs for seamless OCTG	Importers	11	1	1	5
Raw material costs for welded OCTG	U.S. producers	7	0	0	3
Raw material costs for welded OCTG	Importers	15	1	0	5

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

Supply and demand considerations

U.S. supply

Table II-4 provides a summary of the supply factors regarding OCTG from U.S. producers and from subject countries. Capacity utilization in the United States and subject countries decreased noticeably from 2018 to 2020, a period of diminished oil and gas exploration and production.

Parties provided information in the staff conference regarding OCTG production capacity. Petitioners stated that it takes 30 to 45 days to raise capacity by adding a shift to active mill.⁴ They stated that it takes approximately 3 months to bring an idled mill back to a one crew steady state and 6 months to bring an idled mill to a multi-crew steady state.⁵ Respondents stated that it takes 3 to 6 months to raise capacity by adding a shift to an active mill.⁶ Petitioners characterized a capacity utilization rate 80 to 90 percent as a high level that would require running three shifts.⁷ Respondents reported that capacity utilization rates of 85 percent were healthy but rates should not exceed 95 percent.⁸

⁴ Conference transcript p. 84 (Johnson).

⁵ Conference transcript p. 87 (Buono).

⁶ Conference transcript p. 193 (Gernand).

⁷ Conference transcript p. 83 (Hart).

⁸ Conference transcript p. 191 (Cura).

Table II-4
OCTG: Supply factors that affect the ability to increase shipments to the U.S. market, by country

Quantity in short tons; ratio and share in percent; count is number of “yes” responses

Factor	Measure	United States mills	Argentina	Mexico	Russia	South Korea	Subject suppliers
Capacity 2018	Quantity	***	***	***	***	***	***
Capacity 2020	Quantity	***	***	***	***	***	***
Capacity utilization 2018	Ratio	***	***	***	***	***	***
Capacity utilization 2020	Ratio	***	***	***	***	***	***
Inventories to total shipments 2018	Ratio	***	***	***	***	***	***
Inventories to total shipments 2020	Ratio	***	***	***	***	***	***
Home market shipments 2020	Share	***	***	***	***	***	***
Non-US export market shipments 2020	Share	***	***	***	***	***	***
Ability to shift production (firms reporting “yes”)	Count	***	***	***	***	***	***

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

Note: Responding U.S. producers accounted for the vast majority of U.S. production of OCTG in 2020. Responding foreign producer/exporter firms accounted the following percentages of U.S. imports from subject countries in 2020: Argentina, virtually all; Mexico, over 75 percent; Russia, over 75 percent; and South Korea, over 50 percent. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, “Summary Data and Data Sources.”

Domestic production

Based on available information, U.S. producers of OCTG have the ability to respond to changes in demand with large changes in the quantity of shipments of U.S.-produced OCTG to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of large amounts of unused capacity, moderate inventory levels, and the ability to shift production from producing other products to OCTG. The limited ability to divert shipments from other markets mitigates the responsiveness of supply.

U.S. producers reported decreased capacity and capacity utilization from 2018 to 2020. U.S. producers' inventories relative to total shipments decreased from 2018 to 2020. Exports of U.S. produced OCTG remained at or below *** percent of total shipments throughout the period. The majority of U.S. producers (9 of 16) reported that they were able to switch production to or from other products to OCTG. These firms reported being able to produce line pipe, structural pipe, pressure pipe, drill pipe, mechanical pipe, and drill stems.

Subject imports from Argentina

Based on available information, the responding producer of OCTG from Argentina has the ability to respond to changes in demand with large changes in the quantity of shipments of OCTG to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, moderate inventory levels and the ability to divert shipments from other markets. The limited ability to shift production to or from alternate products mitigates the responsiveness of supply.

Argentine production capacity *** while capacity utilization *** from 2018 to 2020. The Argentine producer's inventory relative to total shipments increased by just under *** percentage points from 2018 to 2020. The responding Argentine producer reported selling just under *** of total shipments in its home market and just under *** of total shipments to markets other than the United States in 2020. It reported selling just over*** percent of total shipments to the United States in 2020. Other markets include ***. It reported it was *** to shift production to or from alternate products.

Subject imports from Mexico

Based on available information, the responding producer of OCTG from Mexico has the ability to respond to changes in demand with large changes in the quantity of shipments of

OCTG to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, moderate inventory and the ability to divert shipments from other markets. The limited ability to shift production to or from alternate products mitigates the responsiveness of supply.

Mexican production capacity and capacity utilization decreased from 2018 to 2020. The Mexican producer's inventory relative to total shipments increased by just under *** percentage points from 2018 to 2020. The responding Mexican producer reported selling just under *** of total shipments in its home market and just under *** of total shipments to markets other than the United States in 2020. Other markets include ***. The Mexican producer reported selling just under *** of total shipments to the United States in 2020. The responding Mexican producer reported it was unable to shift production to or from alternate products.

Subject imports from Russia

Based on available information, producers of OCTG from Russia have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of OCTG to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of some unused capacity, low inventory levels, the ability to divert limited shipments from other markets and the ability to shift production to or from alternate products.

Russian production capacity increased while capacity utilization decreased from 2018 to 2020. Russian producers' inventory relative to total shipments decreased by just under *** percentage point from 2018 to 2020. Responding Russian producers reported that most of their shipments went to their home market (more than *** percent). Russian producers reported selling under *** percent of total shipments to the United States in 2020. Other markets include Germany, Kyrgyzstan, the Netherlands, France, and Switzerland, Kazakhstan, UAE, and Belarus. One of the two responding Russian producers reported being able to shift production to or from alternate products. JSC Vyksa reported being able to produce *** on the same equipment used to produce OCTG.

Subject imports from South Korea

Based on available information, producers of OCTG from South Korea have the ability to respond to changes in demand with large changes in the quantity of shipments of OCTG to the

U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity and ability to shift production to or from alternate products. Factors that mitigate the responsiveness of supply are a low inventory levels and a limited ability to divert shipments from other markets.

South Korean production capacity increased while capacity utilization decreased from 2018 to 2020. The South Korean producer's inventory relative to total shipments decreased by just over *** percentage points from 2018 to 2020. The responding South Korean producer reported that its ***, with just under *** percent of total shipments to the United States in 2020. Hyundai reported it was able to shift production to or from alternate products and reported that it is able to produce line pipe and standard pipe on the same equipment as OCTG.

Imports from nonsubject sources

Imports from nonsubject sources accounted for 49.3 percent of total U.S. imports in 2020. The four largest sources of imports from nonsubject sources in 2020 were Taiwan, Brazil, Austria, and Canada and account for 50.1 percent of imports from nonsubject sources.

Supply constraints

Four of 12 U.S. producers and 7 of 25 importers reported that they had experienced supply constraints since January 1, 2018. U.S. producer *** reported that the cyclical nature of the oil and gas sector leads suppliers to overshoot demand signals when demand is low and that it takes weeks or months to rebalance the flow of goods through the supply chain when demand recovers. Importer *** reported that there were supply constraints in the first and second quarters of 2021 due to hot rolled coil being unavailable. Importer *** reported that it has to be selective as to whom it sells to when there are sudden changes in demand as it supplies customers from inventory and the product can takes up to 9 to 12 months to arrive.

Inventories

Inventories are held domestically by U.S. producers, distributors, importers, and end users in the United States. Distributors will typically stock OCTG from producers and importers and try to maintain inventory levels that are neither too small (risking missed delivery time

frames or lost sales) or too large (risking price fluctuations that affect the valuation of any held stock).⁹

Table II-5 and figure II-1 presents the inventory of OCTG in net tons reported by ***. After some declines in 2018, inventories of OCTG generally increased in 2019, 2020 and the first half of 2021.

Figure II-1
OCTG: U.S inventory level, by month, January 2018-June 2021

* * * * *

Source: ***

⁹ Certain Oil Country Tubular Goods from India, Korea, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam 731-TA-1215-1223 (*Final*), USITC Publication 4489, September 2014, p. II-11.

Table II-5**OCTG: U.S inventory level, by month, January 2018-June 2021**

Inventory level in net tons

Year	Month	Inventory level
2018	January	***
2018	February	***
2018	March	***
2018	April	***
2018	May	***
2018	June	***
2018	July	***
2018	August	***
2018	September	***
2018	October	***
2018	November	***
2018	December	***
2019	January	***
2019	February	***
2019	March	***
2019	April	***
2019	May	***
2019	June	***
2019	July	***
2019	August	***
2019	September	***
2019	October	***
2019	November	***
2019	December	***
2020	January	***
2020	February	***
2020	March	***
2020	April	***
2020	May	***
2020	June	***
2020	July	***
2020	August	***
2020	September	***
2020	October	***
2020	November	***
2020	December	***
2021	January	***
2021	February	***
2021	March	***
2021	April	***
2021	May	***
2021	June	***

Source: ***

U.S. demand

Based on available information, the overall demand for OCTG is likely to experience small changes in response to changes in price. The main contributing factors are the lack of substitute products and the small cost share of OCTG in most of its end-use products.

Demand determinants

Demand for OCTG is driven by oil and gas exploration and production, specifically the number of feet drilled. While the number of feet drilled varies between rigs such as the well type (vertical, horizontal, or directional), and the region where the well is being drilled, the active rig count for oil and gas rigs is an indicator of the demand for OCTG and a standard indicator for oil and gas exploration and production. The active oil and gas rig count, generally decreased from January 2018 to August 2020, when it reached historic lows.¹⁰ The active rig count then began to recover through June 2021 while remaining well below 2018 levels (table II-6 and figure II-2).

¹⁰ Reuters, <https://www.reuters.com/article/us-usa-rigs-baker-hughes/u-s-drillers-cut-oil-gas-rigs-to-historic-low-baker-hughes-idUSKBN22K0IL> (accessed November 2, 2021).

Table II-6**Rig count: Baker Hughes U.S. oil and gas rig count, by month, January 2018- June 2021**

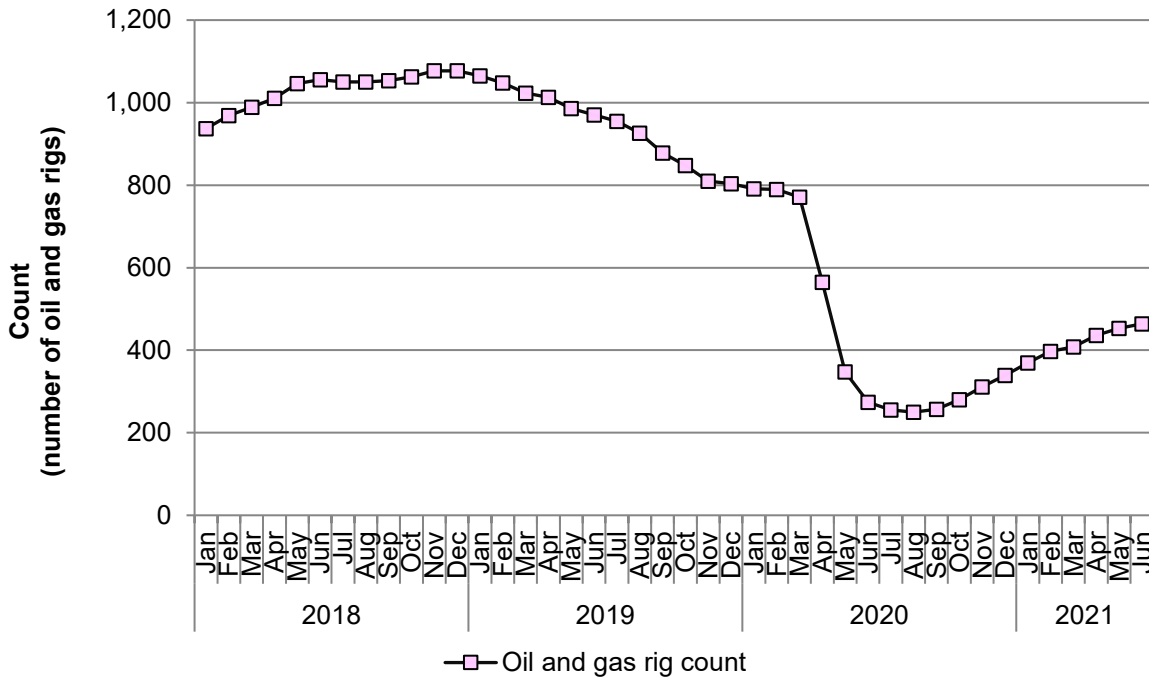
Count in number of oil and gas rigs

Year	Month	Oil and gas combined rig count
2018	January	937
2018	February	969
2018	March	989
2018	April	1,011
2018	May	1,046
2018	June	1,056
2018	July	1,050
2018	August	1,050
2018	September	1,053
2018	October	1,063
2018	November	1,077
2018	December	1,077
2019	January	1,065
2019	February	1,048
2019	March	1,023
2019	April	1,013
2019	May	986
2019	June	970
2019	July	955
2019	August	926
2019	September	878
2019	October	848
2019	November	810
2019	December	804
2020	January	791
2020	February	790
2020	March	771
2020	April	565
2020	May	348
2020	June	274
2020	July	255
2020	August	250
2020	September	257
2020	October	280
2020	November	311
2020	December	339
2021	January	369
2021	February	397
2021	March	408
2021	April	436
2021	May	453
2021	June	464

Source: Baker-Hughes North America Rotary Rig Count, <https://rigcount.bakerhughes.com/na-rig-count>, accessed October 19, 2021.

Figure II-2

Rig count: Baker Hughes U.S. oil and gas rig count, by month, January 2018- June 2021



Source: Baker-Hughes North America Rotary Rig Count, <https://rigcount.bakerhughes.com/na-rig-count>, accessed October 19, 2021.

Operational consumption, a measure of tonnage of OCTG used, is another common indicator of demand for OCTG. Operational consumption generally decreased from January 2018 to August 2020. Operational consumption then began to recover through June 2021 while remaining well below 2018 levels (table II-7).

Table II-7**OCTG: Operational consumption, January 2018- June 2021**

Operational consumption in net tons

Year	Month	Operational consumption
2018	January	***
2018	February	***
2018	March	***
2018	April	***
2018	May	***
2018	June	***
2018	July	***
2018	August	***
2018	September	***
2018	October	***
2018	November	***
2018	December	***
2019	January	***
2019	February	***
2019	March	***
2019	April	***
2019	May	***
2019	June	***
2019	July	***
2019	August	***
2019	September	***
2019	October	***
2019	November	***
2019	December	***
2020	January	***
2020	February	***
2020	March	***
2020	April	***
2020	May	***
2020	June	***
2020	July	***
2020	August	***
2020	September	***
2020	October	***
2020	November	***
2020	December	***
2021	January	***
2021	February	***
2021	March	***
2021	April	***
2021	May	***
2021	June	***

Source: ***

The type of wells drilled also impacts the demand for OCTG. Horizontal wells on average require a greater number of feet of OCTG than vertical and directional wells. The percentage of horizontal wells relative to vertical and directional wells has increased since 2000, and continued to increase during 2018-20; as a result the average footage per well has also increased.¹¹ Rigs drilling horizontal wells as a percentage of all rigs has increased from 2018 to 2021 (table II-8).

Table II-8
OCTG: Share of active rigs by well type and period

Shares in percent

Year	Horizontal	Vertical	Other
2018	87.2	6.2	6.7
2019	87.6	5.7	6.7
2020	88.7	4.7	6.6

Source: Baker-Hughes North America Rotary Rig Count, <https://rigcount.bakerhughes.com/na-rig-count>, accessed October 19, 2021.

End uses and cost share

As discussed above, U.S. demand for OCTG depends on the demand from the energy sector, specifically oil exploration and production. OCTG accounts for a small-to-moderate share of the cost of drilling an oil or gas well. U.S. producers and importers reported that OCTG accounted for between 7 and 25 percent of the cost of an oil rig or oil and gas well.

Business cycles

Ten of 12 U.S. producers and 16 of 25 importers indicated that the market was subject to business cycles or conditions of competition. Specifically, U.S. producer *** reported that the OCTG market is highly cyclical as it is exposed to highly volatile demand cycles led by the oil and natural gas sectors, and highly volatile raw material costs which include coking coal, iron ore, scrap steel and hot rolled coil. U.S. producers *** reported that the demand for OCTG followed rig activity, which is linked to oil and gas prices.

Demand trends

The majority of U.S. producers and importers reported a decrease in U.S. demand for OCTG since January 1, 2018 (table II-9).

¹¹ EIA, <https://www.eia.gov/todayinenergy/detail.php?id=44236> (accessed November 2, 2021)

Table II-9
OCTG: Count of firms' responses regarding overall domestic and foreign demand

Count in number of firms reporting

Market	Firm type	Increase	No change	Decrease	Fluctuate
Domestic demand	U.S. producers	0	0	9	3
Domestic demand	Importers	2	0	17	5
Foreign demand	U.S. producers	0	0	5	1
Foreign demand	Importers	0	1	12	5

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

Substitute products

All responding U.S. producers and importers reported that there were no substitutes.

Substitutability issues

This section will assess the degree to which U.S.-produced OCTG and imports of OCTG from subject countries can be substituted for one another by examining the importance of certain purchasing factors and the comparability of OCTG from domestic and imported sources based on those factors. Based on available data, staff believes that there is a high degree of substitutability between domestically produced OCTG and OCTG imported from subject sources.¹² Factors contributing to this level of substitutability include a high degree of interchangeability between U.S. and imported OCTG and limited differences other the price.

¹² The degree of substitution between domestic and imported OCTG depends upon the extent of product differentiation between the domestic and imported products and reflects how easily purchasers can switch from domestically produced OCTG to the OCTG imported from subject countries (or vice versa) when prices change. The degree of substitution may include such factors as relative prices (discounts/rebates), quality differences (e.g., grade standards, defect rates, etc.), and differences in sales conditions (e.g., lead times between order and delivery dates, reliability of supply, product services, etc.).

Factors affecting purchasing decisions

Most important purchase factors

Purchasers responding to lost sales lost revenue allegations¹³ were asked to identify the main purchasing factors their firm considered in their purchasing decisions for OCTG. The most often cited top three factors firms consider in their purchasing decisions for OCTG were quality (5 firms), price (4 firms), U.S.-produced, and availability/supply (2 firms each) as shown in table II-10. U.S.-produced product and price were the most frequently cited first-most important factors (cited by 2 firms each), followed by quality (1 firm each); quality and availability were the most frequently reported second-most important factor (1 firm each); and quality was the most frequently reported third-most important factor (3 firms).

Table II-10
OCTG: Count of ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Count in number of firms reporting

Factor	First	Second	Third	Total
Quality	1	1	3	5
Price	2	0	2	4
U.S.-produced	2	0	0	2
Availability / Supply	0	1	1	2
All other factors	1	3	1	NA

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

Note: Other factors include lead times, vendor relationship, reputation, and customer specifications and preference.

Lead times

U.S. producers primarily produce OCTG to order, while importers primarily sell OCTG from U.S. inventories. U.S. producers reported that *** percent of their U.S. commercial shipments were produced-to-order, with lead times averaging *** days. The remaining *** percent of came from inventories, with lead times averaging *** days. Importers reported that *** percent of their commercial shipments were from U.S. inventories, with lead times averaging *** days; *** percent were produced-to-order, with lead times averaging *** days; and the remaining *** percent were from foreign inventories, with lead times averaging *** days.

¹³ This information is compiled from responses by purchasers identified by Petitioners or other U.S. producers to the lost sales lost revenue allegations. See Part V for additional information.

Changes in purchasing patterns

Purchasers responding to the LSLR survey were asked about changes in their purchasing patterns from different sources since 2018 (table II-11). Purchaser *** reported that it had decreased purchases of OCTG imported from Argentina as increased U.S. production reduced the need to import. Purchaser *** reported that they had increased purchases of OCTG imported from South Korea due to a loss in U.S. manufacturing as a result of a Tenaris acquisition of TMK. Purchaser *** reported that they had constant purchases of OCTG imported from South Korea for items that domestic manufacturers did not produce (such as tubing).

Table II-11
OCTG: Count of changes in purchase patterns from U.S., subject, and nonsubject countries

Count in number of firms reporting

Source of purchases	Decreased	Increased	Constant	Fluctuated	Did not purchase
United States	2	0	3	1	1
Argentina	1	0	0	1	4
Mexico	0	0	0	2	4
Russia	2	0	0	2	2
South Korea	0	1	2	1	2
All other sources	2	1	0	3	1
Sources unknown	0	0	0	1	2

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

Comparison of U.S.-produced and imported OCTG

In order to determine whether U.S.-produced OCTG can generally be used in the same applications as imports from Argentina, Mexico, Russia, and South Korea, U.S. producers and importers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in tables II-12 and II-13, the majority of U.S. producers and importers reported that OCTG from the United States, subject countries, and nonsubject countries was always or frequently interchangeable. U.S. producer *** reported that all products are interchangeable but many operators prefer not to mix different manufacturers. Importer *** reported that manufacturers in each country can theoretically manufacture to industry standards and be interchangeable, however each supplier is different in terms of price, size range, and pipe performance. Importer *** reported that local mills do not provide specified outer diameter OCTG products that Korean mills provide.

Table II-12**OCTG: Count of U.S. producers reporting the interchangeability between OCTG produced in the United States and in other countries, by country pair**

Count in number of firms reporting

Country pair	Always	Frequently	Sometimes	Never
United States vs. Argentina	8	2	1	0
United States vs. Mexico	8	2	1	0
United States vs. Russia	9	2	0	0
United States vs. South Korea	9	2	1	0
Argentina vs. Mexico	7	3	0	0
Argentina vs. Russia	7	2	1	0
Argentina vs. South Korea	7	2	1	0
Mexico vs. Russia	7	2	1	0
Mexico vs. South Korea	7	2	1	0
Russia vs. South Korea	8	2	0	0
United States vs. Other	7	3	1	0
Argentina vs. Other	6	2	2	0
Mexico vs. Other	6	2	2	0
Russia vs. Other	6	3	1	0
South Korea vs. Other	6	3	1	0

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

Table II-13**OCTG: Count of importers reporting the interchangeability between OCTG produced in the United States and in other countries, by country pair**

Count in number of firms reporting

Country pair	Always	Frequently	Sometimes	Never
United States vs. Argentina	8	2	3	0
United States vs. Mexico	8	2	3	0
United States vs. Russia	10	5	2	0
United States vs. South Korea	9	3	3	0
Argentina vs. Mexico	7	4	1	0
Argentina vs. Russia	7	4	3	0
Argentina vs. South Korea	7	3	2	1
Mexico vs. Russia	7	5	2	0
Mexico vs. South Korea	7	2	3	1
Russia vs. South Korea	8	4	1	1
United States vs. Other	7	7	4	0
Argentina vs. Other	6	4	4	0
Mexico vs. Other	6	4	4	0
Russia vs. Other	6	6	3	0
South Korea vs. Other	6	6	3	1

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

In addition, U.S. producers and importers were asked to assess how often differences other than price were significant in sales of OCTG from the United States, subject, or nonsubject countries. As seen in tables II-14 and II-15, the majority of U.S. producers and importers reported that there sometimes or never differences other than price between OCTG produced in the United States, subject countries and nonsubject countries. Importers *** both reported that high quality, wide product range and strong technical support and service were frequently a difference between OCTG from Russia and OCTG from the United States, Argentina, Mexico and nonsubject countries. Importer *** reported that lead times, quotas, and logistical challenges were frequently a difference between OCTG from South Korea and OCTG from the United States.

Table II-14
OCTG: Perceived importance of factors other than price between product produced in the United States and in other countries reported by U.S. producers, by country pair

Count in number of firms reporting

Country pair	Always	Frequently	Sometimes	Never
United States vs. Argentina	0	1	4	5
United States vs. Mexico	0	1	4	5
United States vs. Russia	0	0	4	6
United States vs. South Korea	0	0	5	6
Argentina vs. Mexico	0	0	3	5
Argentina vs. Russia	1	0	3	4
Argentina vs. South Korea	1	0	3	4
Mexico vs. Russia	1	0	3	4
Mexico vs. South Korea	1	0	3	4
Russia vs. South Korea	0	0	3	5
United States vs. Other	0	1	5	4
Argentina vs. Other	0	1	4	4
Mexico vs. Other	0	1	4	4
Russia vs. Other	0	1	4	4
South Korea vs. Other	0	1	4	4

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

Table II-15**OCTG: Perceived importance of factors other than price between product produced in the United States and in other countries reported by U.S. importers, by country pair**

Count in number of firms reporting

Country pair	Always	Frequently	Sometimes	Never
United States vs. Argentina	1	2	4	4
United States vs. Mexico	1	2	4	4
United States vs. Russia	2	3	5	5
United States vs. South Korea	2	0	6	5
Argentina vs. Mexico	0	0	4	6
Argentina vs. Russia	1	2	5	4
Argentina vs. South Korea	2	0	4	5
Mexico vs. Russia	1	2	5	4
Mexico vs. South Korea	2	1	4	4
Russia vs. South Korea	1	0	6	5
United States vs. Other	2	4	8	4
Argentina vs. Other	0	4	6	4
Mexico vs. Other	0	5	5	4
Russia vs. Other	0	4	7	4
South Korea vs. Other	1	5	6	4

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

Part III: U.S. producers' production, shipments, and employment

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the alleged subsidies and dumping margins was presented in *Part I* of this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of seventeen firms that accounted for the large majority of U.S. production of OCTG during 2020.

U.S. producers

The Commission issued a U.S. producer questionnaire to the 17 firms identified in the petition and an additional eight firms that maintain API certification¹ to manufacture or process products in accordance with specification 5CT. Seventeen firms provided usable data on their OCTG operations.^{2 3} Staff believes that these responses represent the large majority of U.S. OCTG production during 2020.

¹ American Petroleum Institute, Composite List, <https://mycerts.api.org/Search/CompositeSearch>, accessed October 7, 2021.

² ***.

³ U.S. processor *** did not provide a complete questionnaire response. However, *** reported that in 2020 its heat treatment capacity was *** short tons and its heat treatment production was *** short tons. *** further reported that roughly ***. Staff correspondence with ***, November 2, 2021.

*** submitted *** revisions to its U.S. producer questionnaire after it had inadvertently reported trade data based on its fiscal year *** rather than calendar year. Staff received these revisions too late to incorporate in the report. Staff correspondence with ***, November 4, 2021.

OCTG producers as presented in this chapter include both U.S. mills and U.S. processors (toll and non-toll). Mills own and operate machinery to form welded or seamless OCTG in the United States. Processors own and operate finishing lines necessary to heat treat OCTG. While most of the larger U.S. producers maintain a balance between their tube forming and their heat-treating capacity,⁴ other producers utilize a portion of their heat treat capability on imported OCTG, or utilize available heat treat capacity at other facilities to finish their own mills' casing and tubing.

Table III-1 lists U.S. producers of OCTG, their production locations, positions on the petition, and shares of total production.

⁴ Conference transcript, pp. 57-58 (Buono, Hart, Johnson, Hanley, and Tait).

Table III-1
OCTG: U.S. producers, their positions on the petition, production locations, and shares of reported production, 2020

Shares in percent

Firm	Position on petition	Production location(s)	Share of mill production	Share of non-toll processor production	Share of toll processor production
Axis	***	Bryan, TX	***	***	***
Aztec Manufacturing	***	Crowley, TX	***	***	***
Benteler	***	Shreveport, LA	***	***	***
Borusan	Petitioner	Baytown, TX	***	***	***
EVRAZ	***	Pueblo, CO	***	***	***
IPSCO	***	---	***	***	***
Paragon	***	Sapulpa, OK	***	***	***
PTC Liberty	Petitioner	Liberty, TX Houston, TX	***	***	***
RDT	***	Beasley, TX	***	***	***
SeAH Steel	***	Houston, TX	***	***	***
Splendora	***	Cleveland, TX	***	***	***
Tenaris USA	***	Blytheville, AR Conroe TX Houston, TX Bay City, TX Koppel, PA Ambridge, PA	***	***	***
Texas Steel Conversion	***	Houston, TX Bryan, TX	***	***	***
Texas Tubular	***	Lone Star, TX	***	***	***
Tubular Services	***	Houston, TX Channelview Houston, TX	***	***	***
U.S. Steel	Petitioner	Fairfield, AL Lorain, OH Lone Star, TX Houston, TX Pine Bluff, AR	***	***	***
Vallourec	***	Youngstown, OH Houston, TX Muskogee, OK	***	***	***
Welded Tube USA	Petitioner	Lackawanna, NY	***	***	***
Wheatland	Petitioner	Warren, OH Niles, OH	***	***	***
All firms	Various	Various	100.0	100.0	100.0

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Note: ***.

Tables III-2 through III-4 present information on U.S. producers' ownership, related and/or affiliated firms. Fifteen firms reported ownership information. Six firms (***) reported being related to an importer/exporter. Ten firms reported related foreign producers: ***, ***, ***, ***, ***, ***, ***, ***, and ***.

Table III-2
OCTG: U.S. producers' ownership

Reporting firm	Related firm	Details of relationship
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

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

Table III-3
OCTG: U.S. producers' related importers/exporters

Reporting firm	Related firm	Details of relationship
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

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

**Table III-4
OCTG: U.S. producers' related producers**

Reporting firm	Related firm	Details of relationship
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
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***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

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

As indicated in tables III-3 and III-4, three U.S. producers (***) are related to foreign producers of the subject merchandise and *** three U.S. producers (***) are related to importers/exporters of the subject merchandise. In addition, as discussed in greater detail below, four U.S. producers (***) directly import the subject merchandise and one U.S. producer (***) purchases the subject merchandise from U.S. importers.

Table III-5 presents U.S. producers' reported changes in operations since January 1, 2018.

Table III-5
OCTG: U.S. producers' reported changes in operations, since January 1, 2018

Item	Firm name and narrative response on changes in operations
Plant openings	***
Plant closings	***
Plant closings	***
Plant closings	***
Plant closings	***
Relocations	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Consolidations	***
Prolonged shutdowns	***

Item	Firm name and narrative response on changes in operations
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged curtailments	***
Prolonged curtailments	***
Prolonged curtailments	***
Prolonged curtailments	***

Item	Firm name and narrative response on changes in operations
Revised labor agreements	***
Revised labor agreements	***
Other	***
Other	***
Other	***
Other	***

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

Firms were also asked about the impact of the COVID-19 pandemic on their OCTG operations. Fourteen of sixteen responding U.S. producers reported changes in their supply chain arrangements, production, employment, and/or shipments relating to OCTG. The most commonly cited impact related to the COVID-19 pandemic was a substantial decrease in demand for OCTG products caused by a global decline in energy demand,⁵ accompanied by reductions in production and employment levels, as well as some firms having to temporarily shut down facilities.

Production-related activities

U.S. producers were asked to rate the complexity, intensity, and importance of their production-related activities. Their responses are presented in table III-6.⁶

⁵ Prior to the COVID-19 pandemic, there was a decline in oil and gas prices that prompted a drop in oil and gas rig activity and, in turn, OCTG demand beginning in 2019. These declines were further exacerbated by the effects of the COVID-19 pandemic. Conference transcript, pp. 27-28 (Buono).

⁶ U.S. producers were also asked to describe the complexity, intensity, and importance of their production-related activities. Responses by processors are presented in appendix G.

U.S. producers were further asked to provide information on the factors relevant to sufficient production-related activities analysis. Table III-7 presents information on U.S. producers' domestic production-related activities.

Table III-7
OCTG: U.S. producers' aggregate data for capital investments, R&D-related technical expertise, value added, employment, and quantity, type, and source of parts, 2018-20

Firm	U.S. mill operations	U.S. non-toll processors	U.S. toll processors
Capital investments (Value in 1,000 dollars)	***	***	***
R&D-related technical expertise (Value in 1,000 dollars)	***	***	***
Value added (percent)	***	***	***
Employment (number of production related workers)	***	***	***
Quantity, type and source of parts (Value in 1,000 dollars)	***	***	***

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

Note: Capital investments are the aggregate range of capital expenditures reported from 2018-2020. ***. Technical expertise is the aggregated range of research and development expenses ("R&D expenses") reported from 2018-2020. ***. Value added data are the range of aggregate annual total conversion costs divided by total COGS percentages reported from 2018-2020. For U.S. toll processors, the cost of tolling services ("COTS") was adjusted using unfinished OCTG unit values, as reported by mills and U.S. importers, so that value added calculations accounted for the input value of the unfinished OCTG. Employment data are aggregate annual production and related workers (PRWs) range from 2018-2020. Quantity, type, and source of parts data are the aggregate annual domestic raw materials costs for 2018-2020. U.S. mills raw material costs assume that all reported raw materials are domestic. ***. Toller domestic raw material costs do not include the input product supplied by tollee.

U.S. production, capacity, and capacity utilization

Table III-8 and figure III-1 present U.S. mills' production, capacity, and capacity utilization. U.S. mills' capacity decreased by 7.8 percent from 2018 to 2020, increasing by 0.6 percent during 2018-19 before falling by 8.4 percent during 2019-20. The overall decrease largely corresponds with several temporary shutdowns reported by firms caused by the oil and gas downturn and the COVID-19 pandemic, as well as Tenaris USA's acquisition of IPSCO that was completed in January 2020.⁷ U.S. mills' capacity was 0.7 percent higher in January-June 2021 compared with January-June 2020.

The majority of responding U.S. mills reported declining production during 2018-20 and lower production during January-June 2021 compared with January-June 2020. Production decreased by 4.6 percent from 2018 to 2019 and then declined sharply by 47.2 percent from 2019 to 2020, resulting in an overall decrease of 49.6 percent during 2018-20. The sharp decrease in production from 2019 to 2020 occurred while the effects of the oil and gas downturn and the COVID-19 pandemic on the OCTG industry were reportedly at their highest. U.S. mills' production was 32.9 percent lower during January-June 2021 than in January-June 2020.

While U.S. mills' capacity and production both declined from 2018 to 2020, production fell to a greater degree, resulting in an overall decline in capacity utilization during that period. U.S. mills' capacity utilization declined from 47.4 percent in 2018 to 45.0 percent in 2019 and then further to 25.9 percent in 2020, decreasing by 21.5 percentage points during 2018-20. Capacity utilization was lower in January-June 2021 (24.0 percent) than in January-June 2020 (36.0 percent).

⁷ Respondents Tenaris, TGS USA, Siderca, and TAMSA's postconference brief, exh. 9. Tenaris USA completed its acquisition of IPSCO from TMK in January 2020. Data related to IPSCO's OCTG mill operations prior to the acquisition are presented separately.

**Table III-8
OCTG: U.S. mills' capacity, by firm and period**

Capacity in short tons

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	6,671,276	6,713,448	6,149,233	3,088,431	3,109,098

Table continued.

**Table III-8 Continued
OCTG: U.S. mills' production, by firm and period**

Production in short tons

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	3,165,424	3,018,608	1,595,070	1,112,330	746,392

Table continued.

Table III-8 Continued
OCTG: U.S. mills' capacity utilization, by firm and period

Capacity utilization ratio is production to production capacity in percent

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	47.4	45.0	25.9	36.0	24.0

Table continued.

Table III-8 Continued
OCTG: U.S. mills' share of production, by firm and period

Share of production in percent

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	100.0	100.0	100.0	100.0	100.0

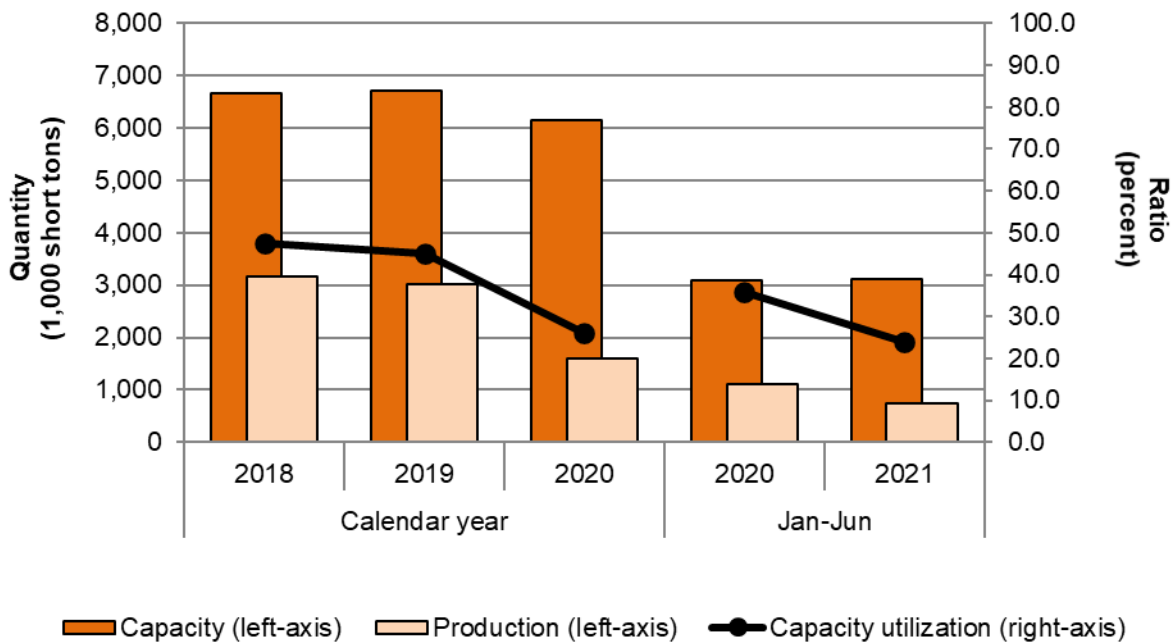
Source: Compiled from data submitted in response to Commission questionnaires.

Note: As previously mentioned, Tenaris USA completed its acquisition of IPSCO from TMK in January 2020. Data related to IPSCO's OCTG mill operations prior to the acquisition are presented separately.

Note: Capacity utilization ratio represents the ratio of the U.S. producers' production to its production capacity.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure III-1
OCTG: U.S. mills' production, capacity, and capacity utilization, by period



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

Table III-9 presents U.S. mills' capacity, production, and capacity utilization by product type. While U.S. mills' capacity is relatively evenly divided between seamless and welded OCTG, reported data shows that seamless OCTG's share of total OCTG production increased overall from *** percent in 2018 to *** percent in 2020 and was higher during January-June 2021 (***) percent) compared with January-June 2020 (***) percent).

U.S. mills' capacity to produce seamless OCTG increased by *** percent from 2018 to 2019 and then decreased by *** percent from 2019 to 2020, ending *** percent higher in 2020 than in 2018. In contrast, U.S. mills' production of seamless OCTG fell by *** percent during 2018-20. The decrease in production, combined with the increase in capacity, resulted in U.S. mills' seamless OCTG capacity utilization falling by *** percentage points from 2018 to 2020. U.S. mills' seamless OCTG capacity, production, and capacity utilization were all lower in January-June 2021 than in January-June 2020.

U.S. mills' capacity to produce welded OCTG and their production of welded OCTG declined by *** percent and *** percent, respectively, during 2018-20. Welded capacity was higher in January-June 2021 than in January-June 2020, while production and capacity utilization were lower. U.S. mills' welded capacity utilization increased modestly from ***

percent in 2018 to *** percent in 2019 before falling to *** percent in 2020, and was only *** percent in January-June 2021.

Table III-9
OCTG: U.S. mills' capacity, production, and capacity utilization, by product type and period

Quantity in short tons; Ratio and shares in percent

Production type	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Seamless capacity	Quantity	***	***	***	***	***
Welded capacity	Quantity	***	***	***	***	***
All OCTG capacity	Quantity	6,671,276	6,713,448	6,149,233	3,088,431	3,109,098
Seamless production	Quantity	***	***	***	***	***
Welded production	Quantity	***	***	***	***	***
All OCTG production	Quantity	3,165,424	3,018,608	1,595,070	1,112,330	746,392
Seamless capacity utilization	Ratio	***	***	***	***	***
Welded capacity utilization	Ratio	***	***	***	***	***
All OCTG capacity utilization	Ratio	47.4	45.0	25.9	36.0	24.0
Seamless share of capacity	Share	***	***	***	***	***
Welded share of capacity	Share	***	***	***	***	***
All OCTG share of capacity	Share	100.0	100.0	100.0	100.0	100.0
Seamless share of production	Share	***	***	***	***	***
Welded share of production	Share	***	***	***	***	***
All OCTG share of production	Share	100.0	100.0	100.0	100.0	100.0

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

Table III-10 and figure III-2 present U.S. processors’ production, capacity, and capacity utilization and includes residual heat treatment by mills that process OCTG furnished from other sources. U.S. processors’ capacity increased by 2.1 percent during 2018-20, while production decreased by 59.9 percent. Conversely, U.S. processors’ capacity was lower in January-June 2021 than in January-June 2020, while production was higher. U.S. processors’ capacity utilization decreased from 51.4 percent in 2018 to 42.7 percent in 2019 before sharply declining to 20.2 percent in 2020, ending 31.2 percentage points lower in 2020 than in 2018. In contrast, capacity utilization was somewhat higher in January-June 2021 (33.2 percent) than in January-June 2020 (28.4) percent.

Table III-10
OCTG: U.S. processors’ capacity, by firm and period

Capacity in short tons

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	1,786,952	1,806,970	1,824,769	914,435	898,476

Table continued.

Table III-10 Continued
OCTG: U.S. processors’ production, by firm and period

Production in short tons

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	918,314	770,999	368,446	259,913	298,449

Table continued.

Table III-10 Continued
OCTG: U.S. processors' capacity utilization ratio, by firm and period

Capacity utilization ratios in percent

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	51.4	42.7	20.2	28.4	33.2

Table continued.

Table III-10 Continued
OCTG: U.S. processors' share of production, by firm and period

Share of production in percent

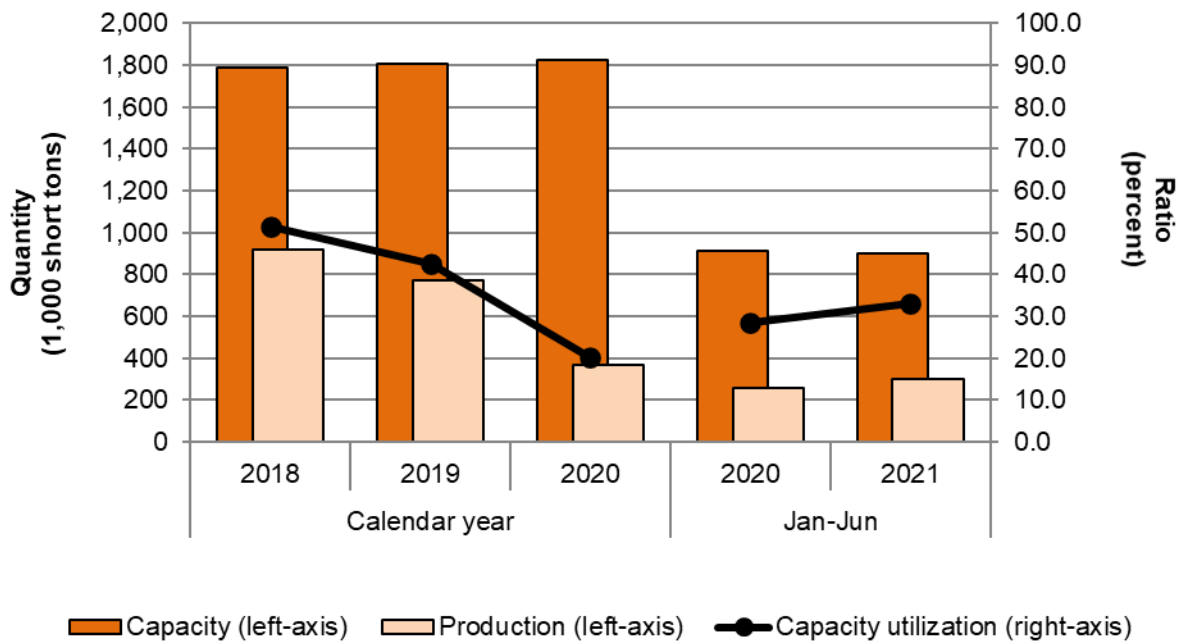
Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	100.0	100.0	100.0	100.0	100.0

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

Note: Capacity utilization ratio represents the ratio of the U.S. producers' production to its production capacity.

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure III-2
OCTG: U.S. processors' production, capacity, and capacity utilization, by period



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

Alternative products

As shown in table III-11, 77.3 percent of the product produced on the same equipment as subject production during 2020 by U.S. producers was OCTG. Seamless OCTG accounted for the majority of total production on the same equipment as subject production, reaching its highest share in January-June 2021 at *** percent. Nine firms reported producing other products on the same equipment used to produce OCTG; these alternative products include: ***. While the majority of responding U.S. producers indicated an ability to switch production between OCTG and other products, several firms reported higher profitability associated with the production of OCTG as a motivation to focus their operations on OCTG relative to alternative products.

Table III-11**OCTG: U.S. mills' overall capacity and production on the same equipment as subject production, by period**

Quantity in short tons; Ratio is production to production capacity in percent; Share is share of total production in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Seamless capacity	Quantity	***	***	***	***	***
Welded capacity	Quantity	***	***	***	***	***
Overall capacity	Quantity	7,914,910	7,953,034	7,689,694	3,846,348	3,821,348
Seamless OCTG production	Quantity	***	***	***	***	***
Welded OCTG production	Quantity	***	***	***	***	***
All OCTG production	Quantity	3,165,424	3,018,608	1,595,070	1,112,330	746,392
Other production	Quantity	1,108,471	838,056	469,490	314,425	188,657
Total production	Quantity	4,273,895	3,856,664	2,064,560	1,426,755	935,049
Overall capacity utilization	Ratio	54.0	48.5	26.8	37.1	24.5
Seamless OCTG production	Share	***	***	***	***	***
Welded OCTG production	Share	***	***	***	***	***
All OCTG production	Share	74.1	78.3	77.3	78.0	79.8
Other production	Share	25.9	21.7	22.7	22.0	20.2
Total production	Share	100.0	100.0	100.0	100.0	100.0

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

U.S. producers' U.S. shipments and exports

Table III-12 presents U.S. mills' U.S. shipments, export shipments, and total shipments. U.S. mills' shipments of OCTG were *** in the domestic market during the period for which data were collected. By quantity, U.S. shipments accounted for *** percent of U.S. mills' total shipments of OCTG.⁸

Table III-12
OCTG: U.S. mills' shipments, by destination and period

Quantity in short tons; Value in 1,000 dollars; Unit value in dollars per short ton; share of quantity is the share of total shipments by quantity in percent; share of value is the share of total shipments by value in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
U.S. shipments	Quantity	2,966,430	2,982,996	1,601,064	1,110,651	718,930
Export shipments	Quantity	***	***	***	***	***
Total shipments	Quantity	***	***	***	***	***
U.S. shipments	Value	4,465,187	4,307,646	1,971,371	1,402,367	989,983
Export shipments	Value	***	***	***	***	***
Total shipments	Value	***	***	***	***	***
U.S. shipments	Unit value	1,505	1,444	1,231	1,263	1,377
Export shipments	Unit value	***	***	***	***	***
Total shipments	Unit value	***	***	***	***	***
U.S. shipments	Share of quantity	***	***	***	***	***
Export shipments	Share of quantity	***	***	***	***	***
Total shipments	Share of quantity	100.0	100.0	100.0	100.0	100.0
U.S. shipments	Share of value	***	***	***	***	***
Export shipments	Share of value	***	***	***	***	***
Total shipments	Share of value	100.0	100.0	100.0	100.0	100.0

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

⁸ ***. ***'s U.S. producer questionnaire response, section II-19.

***. ***'s U.S. importer questionnaire response, section II-11a.

Table III-13 presents U.S. non-toll processors' U.S. shipments, export shipments, and total shipments. U.S. non-toll processors' shipments of OCTG were *** in the domestic market, accounting for *** percent of total U.S. shipments during the period for which data were collected. U.S. non-toll processors' U.S. shipments, by volume, increased by *** percent from 2018 to 2019 before falling by *** percent, ending slightly higher (*** percent) in 2020 than in 2018. In contrast, U.S. non-toll processors' U.S. shipments, by value, increased by *** percent during 2018-19, but then fell by *** percent during 2019-20, ending *** percent lower in 2020 than in 2018. U.S. shipments, by volume and value, were lower during January-June 2021 compared with January-June 2020. The unit value for U.S. non-toll processors' U.S. shipments fell from \$*** in 2018 to \$*** in 2019 and further to \$*** in 2020, representing a decrease of *** percent during 2018-20. Conversely, the unit value for U.S. non-toll processors' U.S. shipments was higher in January-June 2021 (\$***) than in January-June 2020 (\$***).

Table III-13
OCTG: U.S. non-toll processors' shipments, by location of shipment and period

Quantity in short tons; Value in 1,000 dollars; Unit values in dollars per short ton; Shares in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
U.S. shipments	Quantity	***	***	***	***	***
Export shipments	Quantity	***	***	***	***	***
Total shipments	Quantity	***	***	***	***	***
U.S. shipments	Value	***	***	***	***	***
Export shipments	Value	***	***	***	***	***
Total shipments	Value	***	***	***	***	***
U.S. shipments	Unit value	***	***	***	***	***
Export shipments	Unit value	***	***	***	***	***
Total shipments	Unit value	***	***	***	***	***
U.S. shipments	Share of quantity	***	***	***	***	***
Export shipments	Share of quantity	***	***	***	***	***
Total shipments	Share of quantity	100.0	100.0	100.0	100.0	100.0
U.S. shipments	Share of value	***	***	***	***	***
Export shipments	Share of value	***	***	***	***	***
Total shipments	Share of value	100.0	100.0	100.0	100.0	100.0

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table III-14 presents U.S. toll processors' U.S. shipments (specifically returns to the tollee). U.S. toll processors' U.S. shipments to U.S. importers accounted for more than *** of total shipments during the period for which data were collected

Table III-14
OCTG: U.S. toll processors' U.S. shipments, by shipment type and period

Quantity in short tons; Value in 1,000 dollars; Unit values in dollars per short ton; Shares in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
For U.S. mills	Quantity	***	***	***	***	***
For U.S. importers	Quantity	***	***	***	***	***
For other customers	Quantity	***	***	***	***	***
All shipments returned to tollee	Quantity	***	***	***	***	***
For U.S. mills	Value	***	***	***	***	***
For U.S. importers	Value	***	***	***	***	***
For other customers	Value	***	***	***	***	***
All shipments returned to tollee	Value	***	***	***	***	***
For U.S. mills	Unit value	***	***	***	***	***
For U.S. importers	Unit value	***	***	***	***	***
For other customers	Unit value	***	***	***	***	***
All shipments returned to tollee	Unit value	***	***	***	***	***
For U.S. mills	Share of quantity	***	***	***	***	***
For U.S. importers	Share of quantity	***	***	***	***	***
For other customers	Share of quantity	***	***	***	***	***
All shipments returned to tollee	Share of quantity	100.0	100.0	100.0	100.0	100.0
For U.S. mills	Share of value	***	***	***	***	***
For U.S. importers	Share of value	***	***	***	***	***
For other customers	Share of value	***	***	***	***	***
All shipments returned to tollee	Share of value	100.0	100.0	100.0	100.0	100.0

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

Table III-15 presents U.S. producers' U.S. shipments for use in apparent U.S. consumption. As detailed in the table note, staff adjusted U.S. producers' U.S. shipments to avoid double counting the value of imported unfinished OCTG that is further processed in the United States already reported as an import.

Table III-15
OCTG: U.S. producers' U.S. shipments for use in apparent U.S. consumption, by period

Quantity in short tons; Value in 1,000 dollars

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
U.S. shipments	Quantity	2,966,430	2,982,996	1,601,064	1,110,651	718,930
U.S. shipments fully domestic	Value	***	***	***	***	***
U.S. shipments incremental value from processing imports	Value	***	***	***	***	***
U.S. shipments total	Value	4,696,392	4,507,968	2,069,871	1,461,148	1,066,776

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

Note: Quantity for U.S. producers' U.S. shipments reflects mills' U.S. shipment quantities. Value for U.S. producers' U.S. shipments reflects OCTG products sold in the United States from domestically manufactured OCTG (including the incremental value from U.S. processors' heat treatment of domestic OCTG), as well as the incremental value added by U.S. processors to imported OCTG. In measuring consumption and market share this methodology avoids reclassifying and/or double counting merchandise already reported as an import.

U.S. producers' inventories

Table III-16 presents U.S. mills' end-of-period inventories and the ratio of these inventories to U.S. mills' production, U.S. shipments, and total shipments. U.S. mills' end-of-period inventories fell by 17.0 percent from 2018 to 2019 and sharply decreased by 47.7 percent from 2019 to 2020, representing a decrease of 56.5 percent during 2018-20.⁹ Similarly, U.S. mills' end-of-period inventories were 17.6 percent lower during January-June 2021 compared with January-June 2020. Inventory ratios to U.S. production, U.S. shipments, and total shipments were all lower in 2020 than in 2018. Conversely, these inventory ratios were all higher in January-June 2021 than in January-June 2020.

⁹ Inventories of OCTG are mostly held by distributors. Conference transcript, pp. 108, 200 (Tait and Curá).

Table III-16
OCTG: U.S. mills' inventories and their ratio to select items, by period

Quantity in short tons; Ratios are inventories to production and shipments in percent

Item	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
End-of-period inventory quantity	456,161	378,641	198,206	232,346	191,415
Inventory ratio to U.S. production	14.4	12.5	12.4	10.4	12.8
Inventory ratio to U.S. shipments	15.4	12.7	12.4	10.5	13.3
Inventory ratio to total shipments	***	***	***	***	***

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

Table III-17 presents U.S. non-toll processors' end-of-period inventories and the ratio of these inventories to U.S. non-toll processors' production, U.S. shipments, and total shipments. U.S. non-toll processors' end-of-period inventories increased by *** percent during 2018-19, but then decreased by *** percent during 2019-20, ending *** percent higher in 2020 compared with 2018.¹⁰ Conversely, end-of-period inventories were *** percent lower in January-June 2021 compared with January-June 2020. U.S. non-toll processors' inventory ratios to U.S. production, U.S. shipments, and total shipments were all higher in 2020 than in 2018. Conversely, these inventory ratios were all lower in January-June 2021 than in January-June 2020.

Table III-17
OCTG: U.S. non-toll processors' inventories and their ratio to select items, by period

Quantity in short tons; Ratios are inventories to production and shipments in percent

Item	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
End-of-period inventory quantity	***	***	***	***	***
Inventory ratio to U.S. production	***	***	***	***	***
Inventory ratio to U.S. shipments	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***

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

¹⁰ *** held the majority of reported inventories among U.S. non-toll processors for all periods except for 2019, when *** held the majority.

U.S. producers' imports and purchases

Three firms (***) reported importing OCTG from subject sources, six firms (***) reported importing OCTG from nonsubject sources, and one firm (***) reported importing OCTG from both subject and nonsubject sources. U.S. producers' imports of OCTG are presented in tables III-18 through III-27 and their reasons for importing are presented in table III-28.

One firm (***) reported purchases *** amounting to *** short tons in 2020, *** short tons in January-June 2020, and *** short tons in January-June 2021.¹¹

Table III-18
OCTG: *'s U.S. production, U.S. imports, and ratio of imports to production, by period**

Quantity in short tons; Ratios are ratios of imports to U.S. production in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Ratio	***	***	***	***	***

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

Note: ***.

Table III-19
OCTG: *'s U.S. production, imports, and purchases, by period**

Quantity in short tons; Ratios are ratios of imports to U.S. production in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Ratio	***	***	***	***	***

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

¹¹ ***. ***'s U.S. producer questionnaire response, section II-17.

Table III-20**OCTG: ***'s U.S. production, U.S. imports, and ratio of imports to production, by period**

Quantity in short tons; Ratios are ratios of imports to U.S. production in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Ratio	***	***	***	***	***
***	Ratio	***	***	***	***	***

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

Table III-21**OCTG: ***'s U.S. production, U.S. imports, and ratio of imports to production, by period**

Quantity in short tons; Ratios are ratios of imports to U.S. production in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Ratio	***	***	***	***	***

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “---”.

Table III-22**OCTG: ***'s U.S. production, U.S. imports, and ratio of imports to production, by period**

Quantity in short tons; Ratios are ratios of imports to U.S. production in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Ratio	***	***	***	***	***

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “---”.

Table III-23**OCTG: ***'s U.S. production, U.S. imports, and ratio of imports to production, by period**

Quantity in short tons; Ratios are ratios of imports to U.S. production in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Ratio	***	***	***	***	***

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “---”.

Table III-24**OCTG: ***'s U.S. production, U.S. imports, and ratio of imports to production, by period**

Quantity in short tons; Ratios are ratios of imports to U.S. production in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Ratio	***	***	***	***	***
***	Ratio	***	***	***	***	***

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

Note: ***.

Table III-25

OCTG: *'s U.S. production, U.S. imports, and ratio of imports to production, by period**

Quantity in short tons; Ratios are ratios of imports to U.S. production in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Ratio	***	***	***	***	***
***	Ratio	***	***	***	***	***
***	Ratio	***	***	***	***	***
***	Ratio	***	***	***	***	***
***	Ratio	***	***	***	***	***

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

Note: ***.

Table III-26

OCTG: *'s U.S. production, U.S. imports, and ratio of imports to production, by period**

Quantity in short tons; Ratios are ratios of imports to U.S. production in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Ratio	***	***	***	***	***

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

Table III-27

OCTG: *'s U.S. production, U.S. imports, and ratio of imports to production, by period**

Quantity in short tons; Ratios are ratios of imports to U.S. production in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	Quantity	***	***	***	***	***
***	Quantity	***	***	***	***	***
***	Ratio	***	***	***	***	***

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

Table III-28
OCTG: U.S. producers' reasons for importing, by firm

Item	Narrative response on reasons for importing
***'s reason for importing	***
***'s reason for importing	***
***'s reason for importing	***
***'s reason for importing	***
***'s reason for importing	***
***'s reason for importing	***
***'s reason for importing	***
***'s reason for importing	***
***'s reason for importing	***
***'s reason for importing	***

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

Note: *** did not directly provide reasons for importing OCTG in their questionnaire responses. ***.

U.S. employment, wages, and productivity

Table III-29 presents U.S. mills' employment-related data. Between 2018 and 2020, U.S. mills' average production and related workers ("PRWs"), total hours worked, hours worked per PRW, wages paid, and productivity all decreased overall, while hourly wages and unit labor costs increased. Average PRWs, total hours worked, wages paid, hourly wages, and productivity were lower in January-June 2021 compared with January-June 2020, while hours worked per PRW and unit labor costs were higher.

U.S. mills' average PRWs increased by 3.2 percent from 2018 to 2019 before sharply falling by 46.2 percent from 2019 to 2020, ending 44.5 percent lower in 2020 than in 2018. Average PRWs were 32.0 percent lower in January-June 2021 than in January-June 2020.

Table III-29
OCTG: U.S. mills' employment related data, by period

Item	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Production and related workers (PRWs) (number)	6,269	6,468	3,481	4,628	3,147
Total hours worked (1,000 hours)	15,162	14,880	7,756	5,214	3,949
Hours worked per PRW (hours)	2,419	2,301	2,228	1,127	1,255
Wages paid (\$1,000)	514,958	534,096	306,237	209,908	149,279
Hourly wages (dollars per hour)	\$33.96	\$35.89	\$39.48	\$40.26	\$37.80
Productivity (short tons per 1,000 hours)	208.8	202.9	205.7	213.3	189.0
Unit labor costs (dollars per short ton)	\$163	\$177	\$192	\$189	\$200

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

Table III-30 presents U.S. non-toll processors' employment-related data. Between 2018 and 2020, U.S. non-toll processors' average PRWs, total hours worked, hours worked per PRW, wages paid, and unit labor costs were all lower in 2020 relative to 2018, while productivity was higher. Average PRWs, total hours worked, hours worked per PRW, wages paid, and unit labor costs were all lower in January-June 2021 compared with January-June 2020, while hourly wages and productivity were higher.

Table III-30**OCTG: U.S. non-toll processors' employment related data, by period**

Item	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Production and related workers (PRWs) (number)	***	***	***	***	***
Total hours worked (1,000 hours)	***	***	***	***	***
Hours worked per PRW (hours)	***	***	***	***	***
Wages paid (\$1,000)	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***
Productivity (short tons per 1,000 hours)	***	***	***	***	***
Unit labor costs (dollars per short ton)	***	***	***	***	***

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

Table III-31 presents U.S. toll processors' employment-related data. U.S. toll processors' average PRWs fluctuated but decreased during 2018-20, falling by *** percent. Conversely, during the same period U.S. toll processors' total hours worked, hours worked per PRW, wages paid, and productivity decreased by *** percent, *** percent, *** percent, and *** percent, respectively. Hourly wages and unit labor costs, however, increased by *** percent and *** percent, respectively, from 2018 to 2020. U.S. toll processors' average PRWs, total hours worked, and unit labor costs were lower during January-June 2021 compared with January-June 2020, while hours worked per PRW, wages paid, hourly wages, and productivity were all higher.

Table III-31**OCTG: U.S. toll processors' employment related data, by period**

Item	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Production and related workers (PRWs) (number)	***	***	***	***	***
Total hours worked (1,000 hours)	***	***	***	***	***
Hours worked per PRW (hours)	***	***	***	***	***
Wages paid (\$1,000)	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***
Productivity (short tons per 1,000 hours)	***	***	***	***	***
Unit labor costs (dollars per short ton)	***	***	***	***	***

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

Table III-32 presents U.S. producers' combined employment-related data. U.S. producers' combined average PRWs and wages paid fluctuated but decreased during 2018-20, falling by 41.5 percent and 40.2 percent, respectively. Total hours worked and hours worked per PRW both decreased from 2018 to 2020, falling by 47.6 percent, 10.5 percent, respectively. Hourly wages, however, increased by 14.2 percent during the same period. U.S. producers' combined average PRWs, total hours worked, wages paid, and hourly wages were all lower in January-June 2021 compared with January-June 2020, while hours worked per PRW was higher.

Table III-32
OCTG: U.S. producers' combined employment related data, by period

Item	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Production and related workers (PRWs) (number)	8,006	8,235	4,681	6,102	4,154
Total hours worked (1,000 hours)	20,408	19,967	10,685	7,016	5,499
Hours worked per PRW (hours)	2,549	2,425	2,283	1,150	1,324
Wages paid (\$1,000)	600,802	620,365	359,123	241,711	178,967
Hourly wages (dollars per hour)	\$29.44	\$31.07	\$33.61	\$34.45	\$32.55

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

Part IV: U.S. imports, apparent U.S. consumption, and market shares

U.S. importers

The Commission issued importer questionnaires to 65 firms believed to be importers of subject OCTG, as well as to all U.S. producers of OCTG.¹ Usable questionnaire responses were received from 26 companies, representing approximately 66.8 percent of U.S. imports from Argentina, Mexico, Russia, and South Korea and 61.5 percent of total U.S. imports in 2020 under HTS subheadings 7304.29, 7305.20, and 7306.29.² Firms responding to the Commission's questionnaire accounted for the following shares of imports of OCTG by source during 2020, based on official Commerce statistics—Argentina, ***; Mexico, *** percent; Russia, *** percent; South Korea, *** percent; and all other, *** percent. In light of the questionnaire coverage, import data presented in this report are based on official Commerce statistics.³

Table IV-1 lists all responding U.S. importers of OCTG from Argentina, Mexico, Russia, South Korea, and other sources, their locations, and their shares of subject imports, in 2020. Table IV-2 presents equivalent information with respect to aggregated imports from subject sources, nonsubject sources, and all sources.

¹ The Commission issued questionnaires to those firms identified in the petitions, along with firms that, based on a review of data from third-party sources, may have accounted for more than one percent of total imports under HTS subheadings 7304.29, 7305.20, and 7306.29 since 2018.

² The Commission also received importer questionnaire responses from ***. These firms confirmed that they were not the importer of record and thus are not included in the importer dataset. Staff correspondence with ***, November 2, 2021 and ***, October 26, 2021.

³ Official Commerce statistics presented in this report do not include in-scope coupling stock, which enter under HTS statistical reporting numbers that include primarily out-of-scope products. Coupling stock accounted for approximately *** percent of total OCTG imports between 2018 and June 2021, based on responses to the Commission's importer questionnaire. Responding firms reported coupling stock imports of *** short tons in 2018, *** short tons in 2019, *** short tons in 2020, *** short tons in January-June 2020, and *** short tons in January-June 2021. In addition, imports from Canada may include ***.

Table IV-1
OCTG: U.S. importers, their headquarters, and share of subject imports by source, 2020

Shares in percent

Firm	Headquarters	Argentina	Mexico	Russia	South Korea
Arvedi	Cremona, IT	***	***	***	***
Atlas	Robstown, TX	***	***	***	***
Axis	Bryan, TX	***	***	***	***
Benteler	Houston, TX	***	***	***	***
Borusan	Baytown, TX	***	***	***	***
CPW America	Houston, TX	***	***	***	***
EVRAZ	Chicago, IL	***	***	***	***
Hyundai Steel USA	Houston, TX	***	***	***	***
IPSCO	Houston, TX	***	***	***	***
Marubeni	Houston, TX	***	***	***	***
NOV	Houston, TX	***	***	***	***
OFS	Houston, TX	***	***	***	***
OMK	Houston, TX	***	***	***	***
Optima	Pleasant Hill, CA	***	***	***	***
Posco	Teaneck, NJ	***	***	***	***
SeAH Steel	Irvine, CA	***	***	***	***
SDB Trade	Houston, TX	***	***	***	***
Tenaris Global	Houston, TX	***	***	***	***
Thyssenkrupp	Southfield, MI	***	***	***	***
TMK Overseas	Houston, TX	***	***	***	***
TMK-ARTROM	Slatina, Olt, Romania	***	***	***	***
Tubos Reunidos	Houston, TX	***	***	***	***
Vallourec STAR	Houston, TX	***	***	***	***
Vallourec USA	Houston, TX	***	***	***	***
Voestalpine	Houston, TX	***	***	***	***
Welded Tube of Canada	Concord, ON	***	***	***	***
All firms	Various	***	***	***	***

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

Note: In January 2020, IPSCO was acquired by Tenaris USA. IPSCO's importer questionnaire response is based on information provided in the Commission's recent five-year reviews on OCTG from India, Korea, Turkey, Ukraine, and Vietnam.

Note: *** submitted *** revisions to its U.S. importer questionnaire after it had inadvertently reported trade data based on its fiscal year *** rather than calendar year. Staff received these revisions too late to incorporate in the report. Staff correspondence with ***, November 4, 2021.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table IV-2
OCTG: U.S. importers, their headquarters, and share of total imports by source, 2020

Shares in percent

Firm	Headquarters	Subject sources	Nonsubject sources	All import sources
Arvedi	Cremona, IT	***	***	***
Atlas	Robstown, TX	***	***	***
Axis	Bryan, TX	***	***	***
Benteler	Houston, TX	***	***	***
Borusan	Baytown, TX	***	***	***
CPW America	Houston, TX	***	***	***
EVRAZ	Chicago, IL	***	***	***
Hyundai Steel USA	Houston, TX	***	***	***
IPSCO	Houston, TX	***	***	***
Marubeni	Houston, TX	***	***	***
NOV	Houston, TX	***	***	***
OFS	Houston, TX	***	***	***
OMK	Houston, TX	***	***	***
Optima	Pleasant Hill, CA	***	***	***
Posco	Teaneck, NJ	***	***	***
SeAH Steel	Irvine, CA	***	***	***
SDB Trade	Houston, TX	***	***	***
Tenaris Global	Houston, TX	***	***	***
Thyssenkrupp	Southfield, MI	***	***	***
TMK Overseas	Houston, TX	***	***	***
TMK-ARTROM	Slatina, Olt, Romania,	***	***	***
Tubos Reunidos	Houston, TX	***	***	***
Vallourec STAR	Houston, TX	***	***	***
Vallourec USA	Houston, TX	***	***	***
Voestalpine	Houston, TX	***	***	***
Welded Tube	Concord, ON	***	***	***
All firms	Various	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

U.S. imports

Table IV-3 and figure IV-1 present data for U.S. imports of OCTG from Argentina, Mexico, Russia, South Korea, and all other sources. During 2018-20, total U.S. imports decreased by 61.6 percent and were 5.0 percent lower in January-June 2021 than in January-June 2020. Subject imports decreased by 60.7 percent between 2018 and 2020 but were 46.0 percent higher in interim 2021 than in interim 2020. Imports from nonsubject sources decreased by 62.4 percent during 2018-20 and were 46.6 percent lower in interim 2021 than in

interim 2020. Leading nonsubject sources of imports include Austria, Canada, and Taiwan. Average unit values (“AUVs”) from subject and nonsubject sources decreased between 2018 and 2020, by 18.2 percent and 10.6 percent respectively. Subject AUVs were 3.9 percent lower in interim 2021 than in interim 2020 while nonsubject AUVs were 15.5 percent higher.

Subject imports as a share of total imports increased by 1.2 percentage points, from 49.6 percent in 2018 to 50.7 percent in 2020 and were 24.1 percentage points higher in interim 2021 than in interim 2020. South Korea was the largest source of subject imports in each period; its share of total imports increased from 18.5 percent in 2018 to 28.7 percent in 2020 and was 31.0 percent in interim 2021 compared to 22.6 percent in interim 2020. The ratio of subject imports to U.S. production decreased by 9.4 percentage points during 2018-20 and was 35.1 percentage points higher in interim 2021 than in interim 2020.

Table IV-3
OCTG: U.S. imports by source and period

Quantity in short tons; value in 1,000 dollars; unit value in dollars per short tons

Source	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Argentina	Quantity	161,851	162,875	16,735	10,515	81,015
Mexico	Quantity	423,173	214,197	164,874	109,672	127,771
Russia	Quantity	263,730	215,339	49,340	45,203	58,081
South Korea	Quantity	504,216	450,082	301,347	166,422	217,666
Subject sources	Quantity	1,352,970	1,042,492	532,296	331,812	484,533
Nonsubject sources	Quantity	1,377,308	1,238,082	517,473	405,848	216,536
All import sources	Quantity	2,730,277	2,280,575	1,049,769	737,660	701,068
Argentina	Value	197,616	216,803	20,331	13,553	79,842
Mexico	Value	625,650	350,487	222,982	157,807	153,229
Russia	Value	280,683	230,773	40,376	37,078	42,669
South Korea	Value	428,053	398,171	209,346	115,045	178,149
Subject sources	Value	1,532,002	1,196,233	493,035	323,483	453,889
Nonsubject sources	Value	1,654,526	1,442,969	555,606	423,668	261,120
All import sources	Value	3,186,528	2,639,202	1,048,641	747,151	715,010
Argentina	Unit value	1,221	1,331	1,215	1,289	986
Mexico	Unit value	1,478	1,636	1,352	1,439	1,199
Russia	Unit value	1,064	1,072	818	820	735
South Korea	Unit value	849	885	695	691	818
Subject sources	Unit value	1,132	1,147	926	975	937
Nonsubject sources	Unit value	1,201	1,165	1,074	1,044	1,206
All import sources	Unit value	1,167	1,157	999	1,013	1,020

Table continued on next page.

Table IV-3 Continued
OCTG: U.S. imports by source and period

Shares and ratios in percent

Source	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Argentina	Share of quantity	5.9	7.1	1.6	1.4	11.6
Mexico	Share of quantity	15.5	9.4	15.7	14.9	18.2
Russia	Share of quantity	9.7	9.4	4.7	6.1	8.3
South Korea	Share of quantity	18.5	19.7	28.7	22.6	31.0
Subject sources	Share of quantity	49.6	45.7	50.7	45.0	69.1
Nonsubject sources	Share of quantity	50.4	54.3	49.3	55.0	30.9
All import sources	Share of quantity	100.0	100.0	100.0	100.0	100.0
Argentina	Share of value	6.2	8.2	1.9	1.8	11.2
Mexico	Share of value	19.6	13.3	21.3	21.1	21.4
Russia	Share of value	8.8	8.7	3.9	5.0	6.0
South Korea	Share of value	13.4	15.1	20.0	15.4	24.9
Subject sources	Share of value	48.1	45.3	47.0	43.3	63.5
Nonsubject sources	Share of value	51.9	54.7	53.0	56.7	36.5
All import sources	Share of value	100.0	100.0	100.0	100.0	100.0
Argentina	Ratio	***	***	***	***	***
Mexico	Ratio	***	***	***	***	***
Russia	Ratio	***	***	***	***	***
South Korea	Ratio	***	***	***	***	***
Subject sources	Ratio	***	***	***	***	***
Nonsubject sources	Ratio	***	***	***	***	***
All import sources	Ratio	***	***	***	***	***

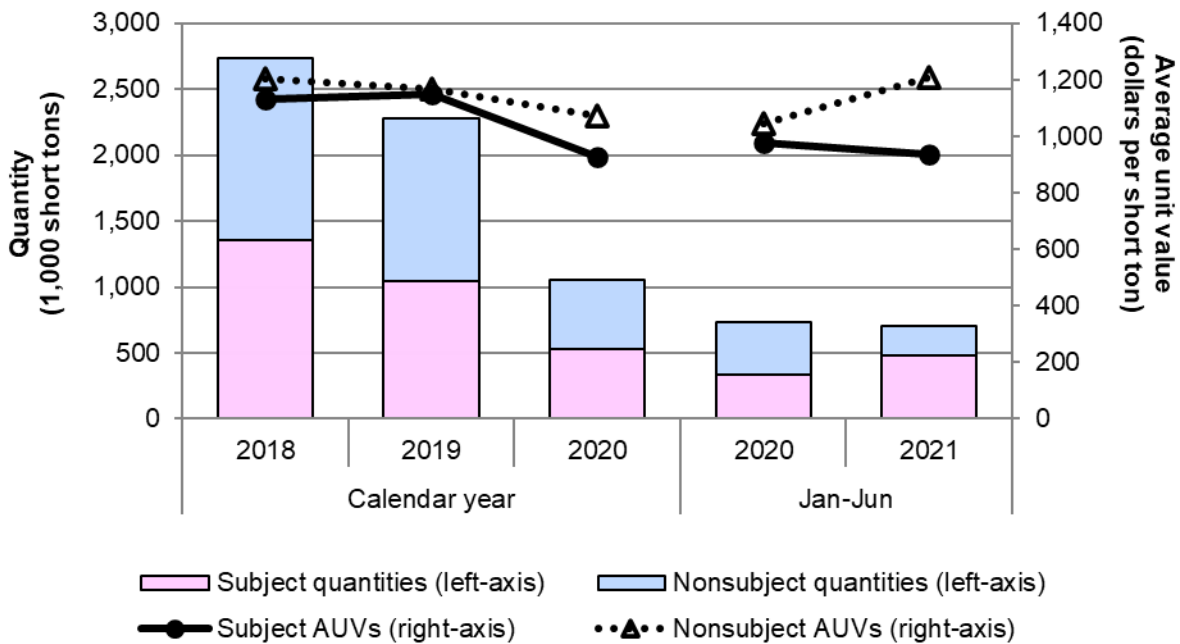
Source: Official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150, accessed November 9, 2021. Import quantities are based on the imports for consumption data series. Value data reflect landed duty-paid values.

Note: Effective September 10, 2014, imports of OCTG from South Korea were subject to an antidumping duty order. 79 FR 53691, September 10, 2014.

Note: Share of quantity is the share of U.S. imports by quantity; share of value is the share of U.S. imports by value; ratio are U.S. imports to mill production.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure IV-1
OCTG: U.S. import quantities and average unit values, by source and period



Source: Official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150, accessed November 9, 2021. Import quantities are based on the imports for consumption data series. Value data reflect landed duty-paid values.

Table IV-4 and figure IV-2 present data for U.S. imports of seamless OCTG while table IV-5 and figure IV-3 present data for U.S. imports of welded OCTG. Imports of seamless OCTG from both subject and nonsubject sources decreased during 2018-20, by 72.7 percent and 70.1 percent respectively. Subject seamless OCTG imports were 98.6 percent higher in interim 2021 than in interim 2020 while nonsubject seamless OCTG imports were 17.2 percent lower. Imports of welded OCTG from both subject and nonsubject sources decreased during 2018-20, by 44.6 percent and 50.3 percent respectively. Subject welded OCTG imports were 6.8 percent higher in interim 2021 than in interim 2020 while nonsubject welded OCTG imports were 70.2 percent lower.

Subject imports of seamless OCTG accounted for 45.4 percent of total seamless OCTG imports in 2020 and accounted for 65.4 percent of total seamless OCTG imports in interim 2021 compared to 44.0 percent in interim 2020. Mexico was the largest subject source of seamless OCTG imports, accounting for 35.3 percent in 2020.

Subject imports of welded OCTG accounted for 54.9 percent of total welded OCTG imports in 2020 and accounted for 75.1 percent of total welded OCTG imports in interim 2021 compared to 45.7 percent in interim 2020. South Korea was the largest subject source of welded OCTG imports, accounting for 50.8 percent in 2020 and 72.3 percent in interim 2021 compared to 39.9 percent in interim 2020.

Table IV-4
Seamless OCTG: U.S. imports, by source and by period

Quantity in short tons; Value in 1,000 dollars; Unit values in dollars per short ton

Source	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Argentina	Quantity	161,707	162,875	16,735	10,515	81,015
Mexico	Quantity	395,282	209,751	163,683	108,481	127,771
Russia	Quantity	177,587	143,560	26,269	22,132	50,607
South Korea	Quantity	37,185	22,254	3,845	707	22,290
Subject sources	Quantity	771,762	538,439	210,532	141,835	281,683
Nonsubject sources	Quantity	845,272	663,592	253,112	180,403	149,300
All import sources	Quantity	1,617,034	1,202,031	463,644	322,237	430,983
Argentina	Value	197,528	216,803	20,331	13,553	79,842
Mexico	Value	598,388	345,874	221,991	156,816	153,229
Russia	Value	196,677	154,896	22,102	18,803	35,054
South Korea	Value	37,597	24,839	2,813	521	21,051
Subject sources	Value	1,030,190	742,412	267,236	189,693	289,176
Nonsubject sources	Value	1,122,524	864,402	304,199	209,132	180,512
All import sources	Value	2,152,714	1,606,813	571,435	398,825	469,689
Argentina	Unit value	1,222	1,331	1,215	1,289	986
Mexico	Unit value	1,514	1,649	1,356	1,446	1,199
Russia	Unit value	1,107	1,079	841	850	693
South Korea	Unit value	1,011	1,116	731	736	944
Subject sources	Unit value	1,335	1,379	1,269	1,337	1,027
Nonsubject sources	Unit value	1,328	1,303	1,202	1,159	1,209
All import sources	Unit value	1,331	1,337	1,232	1,238	1,090

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Table IV-4 Continued
Seamless OCTG: U.S. imports, by source and by period

Shares and ratios in percent

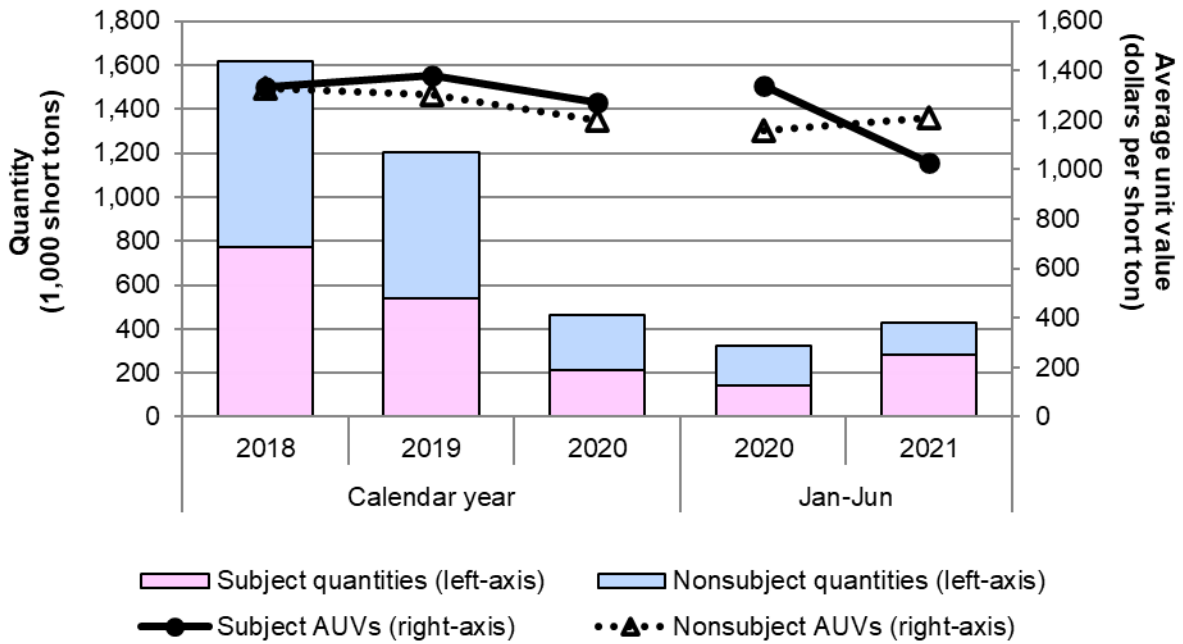
Source	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Argentina	Share of quantity	10.0	13.5	3.6	3.3	18.8
Mexico	Share of quantity	24.4	17.4	35.3	33.7	29.6
Russia	Share of quantity	11.0	11.9	5.7	6.9	11.7
South Korea	Share of quantity	2.3	1.9	0.8	0.2	5.2
Subject sources	Share of quantity	47.7	44.8	45.4	44.0	65.4
Nonsubject sources	Share of quantity	52.3	55.2	54.6	56.0	34.6
All import sources	Share of quantity	100.0	100.0	100.0	100.0	100.0
Argentina	Share of value	9.2	13.5	3.6	3.4	17.0
Mexico	Share of value	27.8	21.5	38.8	39.3	32.6
Russia	Share of value	9.1	9.6	3.9	4.7	7.5
South Korea	Share of value	1.7	1.5	0.5	0.1	4.5
Subject sources	Share of value	47.9	46.2	46.8	47.6	61.6
Nonsubject sources	Share of value	52.1	53.8	53.2	52.4	38.4
All import sources	Share of value	100.0	100.0	100.0	100.0	100.0
Argentina	Ratio	***	***	***	***	***
Mexico	Ratio	***	***	***	***	***
Russia	Ratio	***	***	***	***	***
South Korea	Ratio	***	***	***	***	***
Subject sources	Ratio	***	***	***	***	***
Nonsubject sources	Ratio	***	***	***	***	***
All import sources	Ratio	***	***	***	***	***

Source: Official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, and 7304.29.6175, accessed November 9, 2021. Import quantities are based on the imports for consumption data series. Value data reflect landed duty-paid values.

Note: Share of quantity is the share of U.S. imports by quantity; share of value is the share of U.S. imports by value; ratio are U.S. imports to mill production.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure IV-2
Seamless OCTG: U.S. import quantities and average unit values, by source and period



Source: Official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, and 7304.29.6175, accessed November 9, 2021. Import quantities are based on the imports for consumption data series. Value data reflect landed duty-paid values.

Table IV-5
Welded OCTG: U.S. imports, by source and by period

Quantity in short tons; Value in 1,000 dollars; Unit values in dollars per short ton

Source	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Argentina	Quantity	144	---	---	---	---
Mexico	Quantity	27,891	4,446	1,191	1,191	---
Russia	Quantity	86,143	71,779	23,071	23,071	7,474
South Korea	Quantity	467,031	427,828	297,502	165,714	195,376
Subject sources	Quantity	581,208	504,053	321,765	189,977	202,850
Nonsubject sources	Quantity	532,036	574,490	264,361	225,446	67,236
All import sources	Quantity	1,113,244	1,078,543	586,125	415,423	270,086
Argentina	Value	89	---	---	---	---
Mexico	Value	27,262	4,613	991	991	---
Russia	Value	84,006	75,877	18,274	18,274	7,615
South Korea	Value	390,455	373,332	206,534	114,525	157,097
Subject sources	Value	501,812	453,822	225,799	133,790	164,713
Nonsubject sources	Value	532,001	578,567	251,407	214,536	80,608
All import sources	Value	1,033,814	1,032,389	477,206	348,326	245,321
Argentina	Unit value	618	---	---	---	---
Mexico	Unit value	977	1,037	832	832	---
Russia	Unit value	975	1,057	792	792	1,019
South Korea	Unit value	836	873	694	691	804
Subject sources	Unit value	863	900	702	704	812
Nonsubject sources	Unit value	1,000	1,007	951	952	1,199
All import sources	Unit value	929	957	814	838	908

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Table IV-5 Continued
Welded OCTG: U.S. imports, by source and by period

Shares and ratios in percent

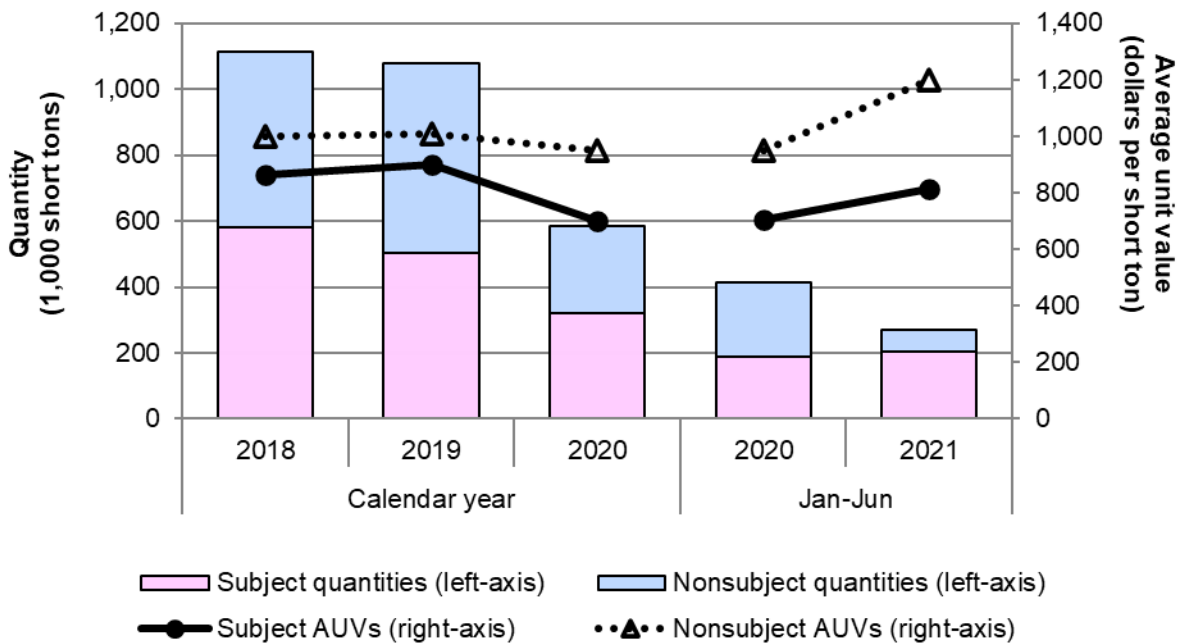
Source	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Argentina	Share of quantity	0.0	---	---	---	---
Mexico	Share of quantity	2.5	0.4	0.2	0.3	---
Russia	Share of quantity	7.7	6.7	3.9	5.6	2.8
South Korea	Share of quantity	42.0	39.7	50.8	39.9	72.3
Subject sources	Share of quantity	52.2	46.7	54.9	45.7	75.1
Nonsubject sources	Share of quantity	47.8	53.3	45.1	54.3	24.9
All import sources	Share of quantity	100.0	100.0	100.0	100.0	100.0
Argentina	Share of value	0.0	---	---	---	---
Mexico	Share of value	2.6	0.4	0.2	0.3	---
Russia	Share of value	8.1	7.3	3.8	5.2	3.1
South Korea	Share of value	37.8	36.2	43.3	32.9	64.0
Subject sources	Share of value	48.5	44.0	47.3	38.4	67.1
Nonsubject sources	Share of value	51.5	56.0	52.7	61.6	32.9
All import sources	Share of value	100.0	100.0	100.0	100.0	100.0
Argentina	Ratio	***	***	***	***	***
Mexico	Ratio	***	***	***	***	***
Russia	Ratio	***	***	***	***	***
South Korea	Ratio	***	***	***	***	***
Subject sources	Ratio	***	***	***	***	***
Nonsubject sources	Ratio	***	***	***	***	***
All import sources	Ratio	***	***	***	***	***

Source: Official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150, accessed November 9, 2021. Import quantities are based on the imports for consumption data series. Value data reflect landed duty-paid values.

Note: Share of quantity is the share of U.S. imports by quantity; share of value is the share of U.S. imports by value; ratio are U.S. imports to mill production.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure IV-3
Welded OCTG: U.S. import quantities and average unit values, by source and period



Source: Official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150, accessed November 9, 2021. Import quantities are based on the imports for consumption data series. Value data reflect landed duty-paid values.

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.⁴ Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then

⁴ Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

imports from such countries are deemed not to be negligible.⁵ Table IV-6 presents the individual shares of total imports by source, during October 2020 through September 2021.

Table IV-6
OCTG: U.S. imports in the twelve-month period preceding the filing of the petitions, October 2020 through September 2021

Quantity in short tons; share of quantity is the share of total imports by quantity in percent

Source of imports	Quantity	Share of quantity
Argentina	119,059	8.4
Mexico	264,809	18.7
Russia	100,610	7.1
South Korea	441,957	31.2
All other sources	489,792	34.6
All import sources	1,416,228	100.0

Source: Official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150, accessed November 9, 2021. Import quantities are based on the imports for consumption data series.

Cumulation considerations

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Information regarding channels of distribution, market areas, and interchangeability appear in Part II. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

⁵ Section 771 (24) of the Act (19 U.S.C § 1677(24)).

Fungibility

Table IV-7 and figure IV-4 present U.S. producers' mill production and U.S. importers' imports of OCTG by type. U.S. imports of OCTG from Argentina and Mexico were predominantly or exclusively seamless; in contrast, U.S. imports of OCTG from South Korea were predominantly welded. In addition, seamless and welded OCTG were both available from nonsubject sources. The majority of U.S. producers' mill production consisted of seamless OCTG, accounting for *** percent in 2020. The majority of U.S. importers' U.S. shipments consisted of welded OCTG, accounting for 60.4 percent of subject imports and 51.1 percent of nonsubject imports.

Table IV-7
OCTG: U.S. mills' production and U.S. importers' imports, by source and product type, 2020

Quantity in short tons

Source	Seamless	Welded	All types
U.S. producers	***	***	1,595,070
Argentina	16,735	---	16,735
Mexico	163,683	1,191	164,874
Russia	26,269	23,071	49,340
South Korea	3,845	297,502	301,347
Subject sources	210,532	321,765	532,296
Nonsubject sources	253,112	264,361	517,473
All import sources	463,644	586,125	1,049,769
All sources	***	***	2,644,839

Table continued.

Table IV-7 Continued
OCTG: U.S. mills' production and U.S. importers' imports, by source and product type, 2020

Share across in percent

Source	Seamless	Welded	All types
U.S. producers	***	***	100.0
Argentina	100.0	---	100.0
Mexico	99.3	0.7	100.0
Russia	53.2	46.8	100.0
South Korea	1.3	98.7	100.0
Subject sources	39.6	60.4	100.0
Nonsubject sources	48.9	51.1	100.0
All import sources	44.2	55.8	100.0
All sources	***	***	100.0

Table continued.

Table IV-7 Continued
OCTG: U.S. mills' production and U.S. importers' imports, by source and product type, 2020

Share down in percent

Source	Seamless	Welded	All types
U.S. producers	***	***	60.3
Argentina	1.1	---	0.6
Mexico	10.5	0.1	6.2
Russia	1.7	2.1	1.9
South Korea	0.2	27.4	11.4
Subject sources	13.5	29.7	20.1
Nonsubject sources	16.2	24.4	19.6
All import sources	29.7	54.0	39.7
All sources	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150, accessed November 9, 2021. Import quantities are based on the imports for consumption data series.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure IV-4
OCTG: U.S. mills' production and U.S. importers' imports, by source and product type, 2020

* * * * *

Table IV-8 and figure IV-5 present U.S. producers' mill production and U.S. importers' imports by level of finishing. The majority of U.S. producers' mill production and U.S. importers' imports from subject and nonsubject sources consisted of finished OCTG, with the exception of U.S. imports from South Korea.

Table IV-8
OCTG: U.S. mills' production and U.S. importers' imports, by source and level of finishing, 2020

Quantity in short tons

Source	Finished	Unfinished	All levels of finishing
U.S. producers	***	***	***
Argentina	***	***	***
Mexico	***	***	***
Russia	***	***	***
South Korea	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	***	***	***

Table continued.

Table IV-8 Continued
OCTG: U.S. mills' production and U.S. importers' imports, by source and level of finishing, 2020

Share across in percent

Source	Finished	Unfinished	All levels of finishing
U.S. producers	***	***	***
Argentina	***	***	***
Mexico	***	***	***
Russia	***	***	***
South Korea	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	***	***	***

Table continued.

Table IV-8 Continued
OCTG: U.S. mills' production and U.S. importers' imports, by source and level of finishing, 2020

Share down in percent

Source	Finished	Unfinished	All levels of finishing
U.S. producers	***	***	***
Argentina	***	***	***
Mexico	***	***	***
Russia	***	***	***
South Korea	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	***	***	***

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

Figure IV-5

OCTG: U.S. mills' production and U.S. importers' imports, by source and level of finishing, 2020

* * * * *

Geographical markets

OCTG produced in the United States are shipped nationwide (see Part II for more information on geographic markets). Table IV-9 presents U.S. imports of OCTG, by source and border of entry in 2020, based on official Commerce statistics. U.S. imports of subject OCTG from Argentina, Mexico, Russia, and South Korea entered multiple U.S. ports of entry across the nation. The vast majority of OCTG from each subject country entered through Southern borders of entry, specifically the Houston-Galveston, Texas Customs district.

Table IV-9
OCTG: Quantity of U.S. imports by border of entry, 2020

Quantity in short tons

Source	East	North	South	West	All borders
Argentina	---	530	16,205	---	16,735
Mexico	19,020	1,558	144,295	---	164,874
Russia	---	---	49,340	---	49,340
South Korea	---	---	299,320	2,027	301,347
Subject sources	19,020	2,088	509,161	2,027	532,296
Nonsubject sources	57,228	19,991	437,340	2,914	517,473
All import sources	76,248	22,079	946,501	4,941	1,049,769

Table continued.

Table IV-9 Continued
OCTG: Quantity of U.S. imports by border of entry, 2020

Share in percent

Source	East	North	South	West	All borders
Argentina	---	3.2	96.8	---	100.0
Mexico	11.5	0.9	87.5	---	100.0
Russia	---	---	100.0	---	100.0
South Korea	---	---	99.3	0.7	100.0
Subject sources	3.6	0.4	95.7	0.4	100.0
Nonsubject sources	11.1	3.9	84.5	0.6	100.0
All import sources	7.3	2.1	90.2	0.5	100.0

Table continued.

Table IV-9 Continued
OCTG: Quantity of U.S. imports by border of entry, 2020

Share in percent

Source	East	North	South	West	All borders
Argentina	---	2.4	1.7	---	1.6
Mexico	24.9	7.1	15.2	---	15.7
Russia	---	---	5.2	---	4.7
South Korea	---	---	31.6	41.0	28.7
Subject sources	24.9	9.5	53.8	41.0	50.7
Nonsubject sources	75.1	90.5	46.2	59.0	49.3
All import sources	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150, accessed November 9, 2021. Import quantities are based on the imports for consumption data series.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Presence in the market

OCTG produced in the United States were present in the market throughout the period for which data were collected. Table IV-10 and figures IV-6 and IV-7 present monthly data for U.S. imports of OCTG from subject and nonsubject sources between January 2018 and September 2021. Subject imports of OCTG from Argentina were present in 41 of 45 months between January 2018 and September 2021, while subject imports from Russia and South Korea were present in 43 and 44 of 45 months, respectively. Subject imports of OCTG from Mexico were present in each month during this period.

Table IV-10
OCTG: Quantity of U.S. imports, by month

Quantity in short tons

Year	Month	Argentina	Mexico	Russia	South Korea	Subject sources	Nonsubject sources	All import sources
2018	January	27,661	40,091	23,258	123,746	214,756	149,873	364,629
2018	February	8,610	40,950	13,245	85,370	148,174	85,086	233,260
2018	March	19,567	37,084	13,718	81,349	151,719	148,661	300,380
2018	April	13,283	30,301	10,009	107,859	161,452	167,207	328,659
2018	May	5,821	52,338	31,951	21,778	111,888	147,797	259,685
2018	June	8,146	18,664	21,256	53,682	101,747	95,959	197,707
2018	July	15,987	43,122	30,079	14,453	103,641	109,745	213,386
2018	August	15,360	58,759	33,189	2,160	109,468	99,495	208,964
2018	September	11,313	32,394	25,186	5,663	74,555	84,572	159,127
2018	October	10,859	23,893	31,849	---	66,600	103,580	170,180
2018	November	11,462	22,670	25,163	7,637	66,933	96,642	163,575
2018	December	13,782	22,907	4,827	520	42,037	88,688	130,725
2019	January	4,568	33,713	48,622	77,980	164,883	158,484	323,368
2019	February	12,191	14,996	6,198	17,415	50,800	139,315	190,115
2019	March	17,317	15,855	35,868	45,891	114,931	118,223	233,154
2019	April	5,235	19,231	42,205	59,730	126,401	120,687	247,088
2019	May	5,139	28,049	28,929	46,245	108,362	106,374	214,736
2019	June	28,269	11,777	15,122	12,944	68,111	124,611	192,722
2019	July	12,131	20,951	21,595	17,816	72,493	126,467	198,961
2019	August	13,117	11,764	12,589	44,534	82,003	106,023	188,026
2019	September	23,365	10,864	56	23,839	58,124	84,563	142,688
2019	October	11,158	17,418	1,870	21,033	51,478	60,514	111,992
2019	November	11,973	14,944	2,286	43,335	72,538	53,285	125,823
2019	December	18,411	14,634	---	39,321	72,366	39,534	111,900

Table continued.

Table IV-10 Continued
OCTG: Quantity of U.S. imports, by month

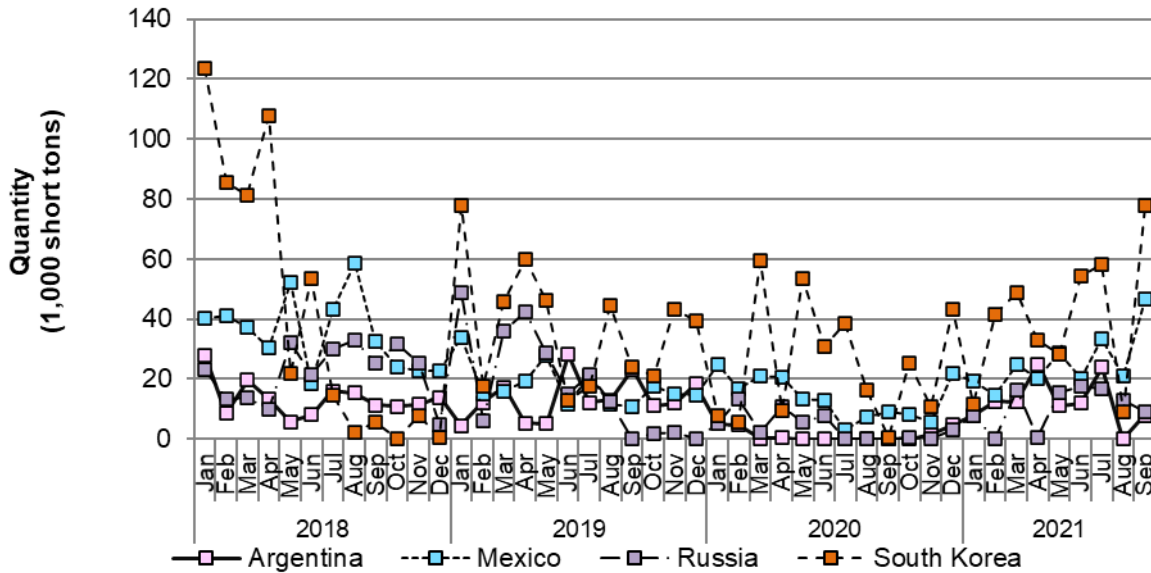
Quantity in short tons

Year	Month	Argentina	Mexico	Russia	South Korea	Subject sources	Nonsubject sources	All import sources
2020	January	5,210	24,933	5,139	7,926	43,207	74,002	117,209
2020	February	4,755	16,672	13,483	5,635	40,545	41,285	81,830
2020	March	114	21,115	2,101	59,345	82,675	104,103	186,778
2020	April	413	20,570	10,882	9,373	41,238	43,555	84,793
2020	May	23	13,396	5,860	53,329	72,608	88,066	160,674
2020	June	---	12,987	7,738	30,814	51,539	54,837	106,376
2020	July	36	2,983	145	38,654	41,817	24,905	66,722
2020	August	22	7,316	---	16,140	23,478	21,537	45,015
2020	September	---	9,098	174	576	9,848	8,924	18,772
2020	October	---	8,299	488	25,211	33,998	21,163	55,161
2020	November	1,404	5,801	272	10,927	18,404	17,928	36,332
2020	December	4,758	21,705	3,058	43,418	72,940	17,168	90,108
2021	January	7,872	19,277	7,794	11,450	46,393	33,732	80,125
2021	February	12,660	14,683	2	41,343	68,688	15,230	83,918
2021	March	12,481	24,836	16,424	48,763	102,504	24,629	127,133
2021	April	24,920	20,274	506	33,058	78,759	38,229	116,988
2021	May	11,034	28,527	15,686	28,494	83,742	40,617	124,360
2021	June	12,047	20,174	17,668	54,557	104,446	64,097	168,544
2021	July	23,938	33,400	16,714	58,088	132,140	46,248	178,389
2021	August	---	20,985	13,110	8,987	43,081	72,638	115,719
2021	September	7,944	46,848	8,888	77,660	141,340	98,111	239,451

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150, accessed November 9, 2021. Import quantities are based on the imports for consumption data series.

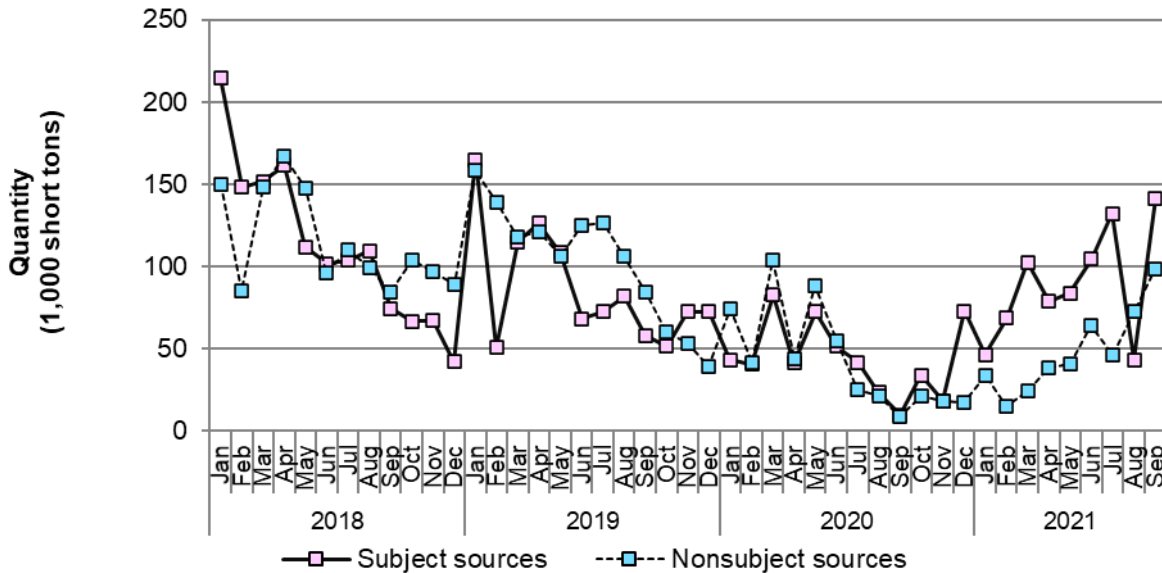
Note: Zeroes, null values, and undefined calculations are suppressed and shown as “---”.

Figure IV-6
OCTG: U.S. imports from individual subject sources, by month



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150, accessed November 9, 2021. Import quantities are based on the imports for consumption data series.

Figure IV-7
OCTG: U.S. imports from aggregated subject and nonsubject sources, by month



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150, accessed November 9, 2021. Import quantities are based on the imports for consumption data series.

Apparent U.S. consumption

Table IV-11 and figure IV-8 present data on apparent U.S. consumption and U.S. market shares for OCTG. The quantity of apparent U.S. consumption decreased by 7.6 percent during 2017-18 then decreased further by 49.6 percent during 2019-20, decreasing overall by 53.5 percent. Apparent U.S. consumption was 23.2 percent lower in January-June 2021 than in January-June 2020.

Table IV-11
OCTG: Apparent U.S. consumption, by source and period

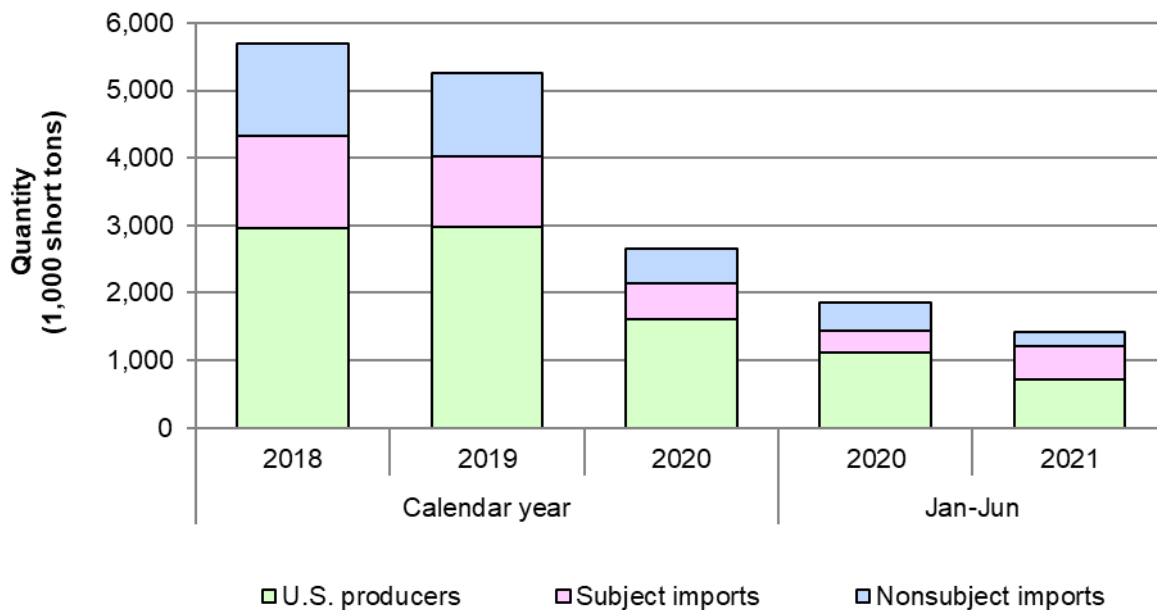
Quantity in short tons; value in 1,000 dollars

Source	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
U.S. producers	Quantity	2,966,430	2,982,996	1,601,064	1,110,651	718,930
Argentina	Quantity	161,851	162,875	16,735	10,515	81,015
Mexico	Quantity	423,173	214,197	164,874	109,672	127,771
Russia	Quantity	263,730	215,339	49,340	45,203	58,081
South Korea	Quantity	504,216	450,082	301,347	166,422	217,666
Subject sources	Quantity	1,352,970	1,042,492	532,296	331,812	484,533
Nonsubject sources	Quantity	1,377,308	1,238,082	517,473	405,848	216,536
All import sources	Quantity	2,730,277	2,280,575	1,049,769	737,660	701,068
All sources	Quantity	5,696,707	5,263,571	2,650,833	1,848,311	1,419,998
U.S. producers fully domestic value	Value	***	***	***	***	***
U.S. producers incremental value from processing imports	Value	***	***	***	***	***
U.S. producers total	Value	4,696,392	4,507,968	2,069,871	1,460,947	1,066,776
Argentina	Value	197,616	216,803	20,331	13,553	79,842
Mexico	Value	625,650	350,487	222,982	157,807	153,229
Russia	Value	280,683	230,773	40,376	37,078	42,669
South Korea	Value	428,053	398,171	209,346	115,045	178,149
Subject sources	Value	1,532,002	1,196,233	493,035	323,483	453,889
Nonsubject sources	Value	1,654,526	1,442,969	555,606	423,668	261,120
All import sources	Value	3,186,528	2,639,202	1,048,641	747,151	715,010
All sources	Value	7,882,920	7,147,170	3,118,512	2,208,098	1,781,785

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150, accessed November 9, 2021. Import quantities are based on the imports for consumption data series.

Note: Quantity for U.S. producers' U.S. shipments reflects mill's U.S. shipment quantities. Value for U.S. producers' U.S. shipments reflects OCTG products sold in the United States from domestically manufactured OCTG (including the incremental value from U.S. processors' heat treatment of domestic OCTG), as well as the incremental value from U.S. processors' heat treatment of imported OCTG. In measuring consumption and market share this methodology avoids reclassifying and/or double counting merchandise already reported as an import.

Figure IV-8
OCTG: Apparent U.S. consumption, by source and period



Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150, accessed November 9, 2021. Import quantities are based on the imports for consumption data series.

U.S. market shares

U.S. market share data are presented in table IV-12. U.S. producers' market share increased by 8.3 percentage points by quantity and 6.8 percentage points by value between 2018 and 2020. Subject import market share decreased by 3.7 percentage points by quantity and 3.6 percentage points by value during the same period. U.S. producers' market share was 9.5 percentage points lower in January-June 2021 than in January-June 2020, while subject import market share was 16.2 percentage points higher.

Table IV-12
OCTG: Market shares, by source and period

Shares in percent

Source	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
U.S. producers	Share of quantity	52.1	56.7	60.4	60.1	50.6
Argentina	Share of quantity	2.8	3.1	0.6	0.6	5.7
Mexico	Share of quantity	7.4	4.1	6.2	5.9	9.0
Russia	Share of quantity	4.6	4.1	1.9	2.4	4.1
South Korea	Share of quantity	8.9	8.6	11.4	9.0	15.3
Subject sources	Share of quantity	23.8	19.8	20.1	18.0	34.1
Nonsubject sources	Share of quantity	24.2	23.5	19.5	22.0	15.2
All import sources	Share of quantity	47.9	43.3	39.6	39.9	49.4
All sources	Share of quantity	100.0	100.0	100.0	100.0	100.0
U.S. producers fully domestic value	Share of value	***	***	***	***	***
U.S. producers incremental value from processing imports	Share of value	***	***	***	***	***
U.S. producers total	Share of value	59.6	63.1	66.4	66.2	59.9
Argentina	Share of value	2.5	3.0	0.7	0.6	4.5
Mexico	Share of value	7.9	4.9	7.2	7.1	8.6
Russia	Share of value	3.6	3.2	1.3	1.7	2.4
South Korea	Share of value	5.4	5.6	6.7	5.2	10.0
Subject sources	Share of value	19.4	16.7	15.8	14.6	25.5
Nonsubject sources	Share of value	21.0	20.2	17.8	19.2	14.7
All import sources	Share of value	40.4	36.9	33.6	33.8	40.1
All sources	Share of value	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150, accessed November 9, 2021. Import quantities are based on the imports for consumption data series.

Note: Quantity for U.S. producers' U.S. shipments reflects mill's U.S. shipment quantities. Value for U.S. producers' U.S. shipments reflects OCTG products sold in the United States from domestically manufactured OCTG (including the incremental value from U.S. processors' heat treatment of domestic OCTG), as well as the incremental value from U.S. processors' heat treatment of imported OCTG. In measuring consumption and market share this methodology avoids reclassifying and/or double counting merchandise already reported as an import.

Part V: Pricing data

Factors affecting prices

Raw material costs

Raw materials, primarily hot-rolled steel or billets (and associated inputs such as coke, scrap, pig iron, and hot-briqueted iron), account for the majority of the cost of OCTG. Raw material costs as a share of cost of goods sold for domestic producers decreased from 54.6 percent in 2018 to 42.6 percent in 2020. However, raw material costs as a share of the costs of goods were 50.3 percent in January-June 2021 compared to 43.4 percent in January-June 2020.

The majority of U.S. producers and importers reported that raw material costs for seamless and welded OCTG increased or fluctuated since January 2018. U.S. producer *** reported that after a short-term decrease in 2019 and 2020, raw material prices for seamless OCTG steadily increased in 2021 to some of the highest levels in a decade. U.S. producer *** reported that raw material prices for seamless OCTG varied due to cyclical business conditions. U.S. producer *** reported that the price of scrap used to produce seamless OCTG increased 50 to 70 percent since January 2018. U.S. producer *** reported that certain base metals used to produce seamless OCTG increased in price and others decreased in price and there is no unifying trend that affects its selling price. U.S. producer *** reported that the cost of hot-rolled coil used to produce welded OCTG has quadrupled since 2018. U.S. producer *** reported that the cost of hot-rolled coiled used to produce welded OCTG steel has increased greatly since 2018. Importer *** reported that the prices for scrap, coking coal, and iron ore used to produce seamless OCTG have been increasing. Importer *** reported that raw material prices are generally correlated with the selling price of OCTG.

The cost of hot-rolled steel, which is used to make welded OCTG, increased substantially from January 2018 and June 2021. The cost of scrap, which is used to make hot rolled billets in the manufacturing of seamless OCTG, also increased over the same period (table V-1 and figure V-1). As discussed in greater detail in parts I and II, hot-rolled steel, like seamless and welded OCTG, is subject to tariffs and quantitative restrictions pursuant to Section 232 of the Trade Expansion Act of 1962, as amended.

Natural gas and oil prices are presented in appendix F.

Table V-1
Raw material prices: *, by month, January 2018-June 2021**

Prices in dollars per short ton

Year	Month	Steel scrap No1 heavy melt price	Steel hot-rolled coil price
2018	January	***	***
2018	February	***	***
2018	March	***	***
2018	April	***	***
2018	May	***	***
2018	June	***	***
2018	July	***	***
2018	August	***	***
2018	September	***	***
2018	October	***	***
2018	November	***	***
2018	December	***	***
2019	January	***	***
2019	February	***	***
2019	March	***	***
2019	April	***	***
2019	May	***	***
2019	June	***	***
2019	July	***	***
2019	August	***	***
2019	September	***	***
2019	October	***	***
2019	November	***	***
2019	December	***	***
2020	January	***	***
2020	February	***	***
2020	March	***	***
2020	April	***	***
2020	May	***	***
2020	June	***	***
2020	July	***	***
2020	August	***	***
2020	September	***	***
2020	October	***	***
2020	November	***	***
2020	December	***	***
2021	January	***	***
2021	February	***	***
2021	March	***	***
2021	April	***	***
2021	May	***	***
2021	June	***	***

Source: ***, retrieved October 13, 2021.

Figure V-1
Raw materials prices: *, by month, January 2018-June 2021**

* * * * *

Source: ***, retrieved October 13, 2021.

In addition to steel, energy (mainly natural gas and electricity) accounts for a portion of OCTG production costs. The price of both natural gas and electricity decreased from 2018 to 2020 but then increased in 2021 (table V-2).

Table V-2
Energy prices: Industrial sector average annual natural gas and electricity prices, by year, 2018-21

Natural gas prices in dollars per thousand cubic feet; electricity prices in cents per kilowatt hour

Year	Industrial Sector Natural Gas Price	Industrial Sector Electricity Price
2018	4.19	6.92
2019	3.90	6.81
2020	3.29	6.66
2021	5.05	6.97

Source: EIA, <https://www.eia.gov/outlooks/steo/data/browser/#?v=8> (accessed October 13, 2021).

Seamless OCTG producers generally produce their own billets. Billets are not typically sold in the United States. Table V-3 and figure V-2 presents one measure of the cost of billets, though it should be noted this may be a proxy for the use of a firm’s billets, not a direct cost of buying them.¹

¹ Certain Oil Country Tubular Goods from India, Korea, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam 731-TA-1215-1217 (*Final*), USITC Publication 4489, September 2014, p. V-3.

Table V-3
Billet prices: *, by month, January 2018- June 2021**

Prices in dollars per short ton

Year	Month	Steel billet export prices (f.o.b. main port Turkey)
2018	January	***
2018	February	***
2018	March	***
2018	April	***
2018	May	***
2018	June	***
2018	July	***
2018	August	***
2018	September	***
2018	October	***
2018	November	***
2018	December	***
2019	January	***
2019	February	***
2019	March	***
2019	April	***
2019	May	***
2019	June	***
2019	July	***
2019	August	***
2019	September	***
2019	October	***
2019	November	***
2019	December	***
2020	January	***
2020	February	***
2020	March	***
2020	April	***
2020	May	***
2020	June	***
2020	July	***
2020	August	***
2020	September	***
2020	October	***
2020	November	***
2020	December	***
2021	January	***
2021	February	***
2021	March	***
2021	April	***
2021	May	***
2021	June	***

Source: ***, retrieved October 13, 2021.

Figure V-2
Billet prices: *, by month, January 2018- June 2021**

* * * * *

Source: ***, retrieved October 13, 2021.

Transportation costs to the U.S. market

Transportation costs for OCTG shipped from subject countries to the United States averaged 5.8 percent for Argentina, 5.1 percent for Mexico, 11.1 percent for Russia, and 7.6 percent for South Korea during 2020. These estimates were derived from official import data and represent the transportation and other charges on imports.²

² The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2020 and then dividing by the customs value based on the HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150.

U.S. inland transportation costs

Half of responding U.S. producers (6 of 12) and the majority of importers (14 of 21) reported that purchasers typically arrange transportation. Most U.S. producers reported that their U.S. inland transportation costs ranged from 0.1 to 10.0 percent while most importers reported costs of 1.4 to 10.0 percent.

Pricing practices

Pricing methods

Most U.S. producers and importers reported setting prices using transaction-by-transaction negotiations, with a smaller number of firms reporting using contracts and other methods³ (table V-4).

Table V-4

OCTG: U.S. producers' and importers' reported price setting methods, count

Method	U.S. producers	Importers
Transaction-by-transaction	11	20
Contract	1	6
Set price list	0	0
Other	2	4
Responding firms	12	25

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

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

U.S. producers sold mostly under short-term contracts, followed by spot sales, and then long-term contracts. Importers sold mostly under long-term contracts, followed by spot sales, and then short-term contracts. (table V-5). Importers from different sources varied in the way they sold OCTG in the U.S. market. Importer *** reported selling the majority of OCTG sold under long-term contracts, while importers ***, report selling the majority of their OCTG sold in the spot market.

³ Other methods include internal transfers and master distribution agreements.

Table V-5
OCTG: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2020

Share in percent

Type of sale	U.S. producers	Importers
Long-term contracts	***	***
Annual contracts	***	***
Short-term contracts	***	***
Spot sales	***	***
Total	100.0	100.0

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

Note: Because of rounding, figures may not add to the totals shown.

Nine U.S. producers reported using short-term contracts to sell OCTG and that short-term contracts typically last between 40 and 360 days; Six of these producers reported that short-term contracts last 90 days. Two U.S. producers reported that they renegotiated price during a short-term contract. Two U.S. producers reported that they fix prices for short-term contracts. Six U.S. producers reported fixing price and quantity. Two U.S. producers reported that they indexed prices to raw materials.

Four U.S. producers reported using annual contracts to sell OCTG. All four U.S. producers reported renegotiating prices for annual contracts. One U.S. producer reported fixing quantities for annual contracts and one reported fixing both quantity and price. Three U.S. producers reported indexing the price of OCTG to raw materials.

Three U.S. producers reported using long-term contracts to sell OCTG and that long-term contracts that typically last between 2 and 3 years. Three U.S. producers reported that they renegotiate prices during long-term contracts. U.S. producers stated that they did not index the price of OCTG to raw materials, however two U.S. producers reported that they index the price of OCTG to raw materials.⁴

Nine importers reported using short-term contracts to sell OCTG and short-term contracts typically last 30 to 150 days; four of these importers reported that short-term contracts typically last 90 days. Two importers reported that they renegotiate prices for short-term contracts. One importer reported fixing price, one reported fixing quantity and six reported fixing quantity and price. One reported indexing the price of OCTG to raw materials.

One importer reported using annual contracts to sell OCTG and indexing the price of OCTG to raw materials. Three importers reported using long-term contracts to sell OCTG. One importer reported fixing quantities in long-term contracts and two reported indexing the price of OCTG to raw materials.

⁴ Conference transcript pp. 117-188 (Buono, Croix, Hanley, and Tait).

The three U.S. producers (***) and two importers (***) who reported indexing the price of OCTG to raw materials reported that they used PipeLogix, AMM scrap, OSR, hot-rolled coil, the West Texas Intermediate, ferro manganese, ferro molybdenum, ferrochrome, and shredded scrap.

Sales terms and discounts

The majority of responding U.S. producers (8 of 12) and half of responding importers (7 of 14) typically quote prices on an f.o.b. basis, while 4 U.S. producers and 7 importers typically quote prices on a delivered basis. Half of U.S. producers (6 of 12) and the majority of importers (13 of 25) reported having no discount policy. One U.S. producer, ***, and two importers, *** and ***, reported offering annual total volume discounts. One importer, *** reported offering quantity discounts. Five U.S. producers and nine importers reported offering other discounts including terms discounts or early payment discounts, which were typically between 1-2 percent for paying within 10 days.

Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following OCTG products shipped to unrelated U.S. customers during January 2018 to June 2021.⁵

Product 1.-- Tubing, Grade L-80, 2 7/8" O.D., 6.5 lbs./ft., threaded and coupled, range 2, seamless sold to unrelated U.S. distributors.

Product 2.-- Tubing, Grade J-55, 2 3/8" O.D., 4.7 lbs./ft., threaded and coupled, range 2, welded sold to unrelated U.S. distributors.

Product 3.-- Casing, Grade P-110, 5 1/2" O.D., 20.0 lbs./ft., threaded and coupled, range 3, welded sold to unrelated U.S. distributors.

Product 4.-- Casing, Grade P-110, 5 1/2" O.D., 17.0 lbs./ft., threaded and coupled, range 3, seamless sold to unrelated U.S. distributors.

Product 5.-- Tubing, Grade L-80, 2 7/8" O.D., 6.5 lbs./ft., threaded and coupled, range 2, seamless sold to end users.

⁵⁵ Staff include pricing items with multiple, differentiated channels of distribution to broaden the coverage of the data collected by the Commission.

Product 6-- Casing, Grade P-110, 5 1/2" O.D., 17.0 lbs./ft., threaded and coupled, range 3, seamless sold to end users.

Eight U.S. producers and five importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.^{6 7 8} Pricing data reported by these firms accounted for approximately 8.5 percent of U.S. producers' U.S. shipments of OCTG, 7.1 percent of U.S. shipments of subject imports from Argentina, 5.0 percent of U.S. shipments of subject imports from Mexico, 8.1 percent of subject imports from Russia, and 1.5 percent of subject imports from South Korea in 2020.⁹ Price data for products 1-6 are presented in tables V-6 to V-11 and figures V-3 to V-8.

Reported pricing data varied between firms for the same pricing product in the same period. Petitioners stated that this was due to the volatile nature of the OCTG where there can be large monthly price changes and that variations can also be attributed to pricing products covering a mix of spot and contract prices.¹⁰

⁶ Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

⁷ U.S. producer *** provided price data for products 1-3 that were different from the pricing product definitions. Staff has excluded this data below.

⁸ The eight U.S. producers who provided pricing data were ***

⁹ Pricing coverage is based on U.S. shipments reported in questionnaires.

¹⁰ Petitioners' postconference brief, p. 12.

Table V-6

OCTG: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarter

Price in dollars per short ton; quantity in short tons; margin in percent.

Period	US price	US quantity	Argentina price	Argentina quantity	Argentina margin	Mexico price	Mexico quantity	Mexico margin
2018 Q1	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***

Period	Russia price	Russia quantity	Russia margin	South Korea price	South Korea quantity	South Korea margin	Subject sources price	Subject sources quantity	Subject sources margin
2018 Q1	***	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***	***

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

Note: Product 1: Tubing, Grade L-80, 2 7/8" O.D., 6.5 lbs./ft., threaded and coupled, range 2, seamless sold to unrelated U.S. distributors.

Figure V-3

OCTG: Weighted-average prices and quantities of domestic and imported product 1, by quarter

Price of product 1

* * * * *

Volume of product 1

* * * * *

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

Note: Product 1: Tubing, Grade L-80, 2 7/8" O.D., 6.5 lbs./ft., threaded and coupled, range 2, seamless sold to unrelated U.S. distributors.

Table V-7

OCTG: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarter

Price in dollars per short ton; quantity in short tons; margin in percent.

Period	US price	US quantity	Argentina price	Argentina quantity	Argentina margin	Mexico price	Mexico quantity	Mexico margin
2018 Q1	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***

Period	Russia price	Russia quantity	Russia margin	South Korea price	South Korea quantity	South Korea margin	Subject sources price	Subject sources quantity	Subject sources margin
2018 Q1	***	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***	***

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

Note: Product 2: Tubing, Grade J-55, 2 3/8" O.D., 4.7 lbs./ft., threaded and coupled, range 2, welded sold to unrelated U.S. distributors.

Figure V-4

OCTG: Weighted-average prices and quantities of domestic and imported product 2, by quarter

Price of product 2

* * * * *

Volume of product 2

* * * * *

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

Note: Product 2: Tubing, Grade J-55, 2 3/8" O.D., 4.7 lbs./ft., threaded and coupled, range 2, welded sold to unrelated U.S. distributors.

Table V-8

OCTG: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by quarter

Price in dollars per short ton; quantity in short tons; margin in percent.

Period	US price	US quantity	Argentina price	Argentina quantity	Argentina margin	Mexico price	Mexico quantity	Mexico margin
2018 Q1	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***

Period	Russia price	Russia quantity	Russia margin	South Korea price	South Korea quantity	South Korea margin	Subject sources price	Subject sources quantity	Subject sources margin
2018 Q1	***	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***	***

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

Note: Product 3: Casing, Grade P-110, 5 1/2" O.D., 20.0 lbs./ft., threaded and coupled, range 3, welded sold to unrelated U.S. distributors.

Figure V-5
OCTG: Weighted-average prices and quantities of domestic and imported product 3, by quarter

Price of product 3

* * * * *

Volume of product 3

* * * * *

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

Note: Product 3: Casing, Grade P-110, 5 1/2" O.D., 20.0 lbs./ft., threaded and coupled, range 3, welded sold to unrelated U.S. distributors.

Table V-9

OCTG: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by quarter

Price in dollars per short ton; quantity in short tons; margin in percent.

Period	US price	US quantity	Argentina price	Argentina quantity	Argentina margin	Mexico price	Mexico quantity	Mexico margin
2018 Q1	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***

Period	Russia price	Russia quantity	Russia margin	South Korea price	South Korea quantity	South Korea margin	Subject sources price	Subject sources quantity	Subject sources margin
2018 Q1	***	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***	***

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

Note: Product 4: Casing, Grade P-110, 5 1/2" O.D., 17.0 lbs./ft., threaded and coupled, range 3, seamless sold to unrelated U.S. distributors.

Figure V-6
OCTG: Weighted-average prices and quantities of domestic and imported product 4, by quarter

Price of product 4

* * * * *

Volume of product 4

* * * * *

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

Note: Product 4: Casing, Grade P-110, 5 1/2" O.D., 17.0 lbs./ft., threaded and coupled, range 3, seamless sold to unrelated U.S. distributors.

Table V-10

OCTG: Weighted-average f.o.b. prices and quantities of domestic and imported product 5 and margins of underselling/(overselling), by quarter

Price in dollars per short ton; quantity in short tons; margin in percent.

Period	US price	US quantity	Argentina price	Argentina quantity	Argentina margin	Mexico price	Mexico quantity	Mexico margin
2018 Q1	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***

Period	Russia price	Russia quantity	Russia margin	South Korea price	South Korea quantity	South Korea margin	Subject sources price	Subject sources quantity	Subject sources margin
2018 Q1	***	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***	***

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

Note: Product 5: Tubing, Grade L-80, 2 7/8" O.D., 6.5 lbs./ft., threaded and coupled, range 2, seamless sold to end users.

Figure V-7

OCTG: Weighted-average prices and quantities of domestic and imported product 5, by quarter

Price of product 5

* * * * *

Volume of product 5

* * * * *

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

Note: Product 5: Tubing, Grade L-80, 2 7/8" O.D., 6.5 lbs./ft., threaded and coupled, range 2, seamless sold to end users.

Table V-11

OCTG: Weighted-average f.o.b. prices and quantities of domestic and imported product 6 and margins of underselling/(overselling), by quarter

Price in dollars per short ton; quantity in short tons; margin in percent.

Period	US price	US quantity	Argentina price	Argentina quantity	Argentina margin	Mexico price	Mexico quantity	Mexico margin
2018 Q1	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***

Period	Russia price	Russia quantity	Russia margin	South Korea price	South Korea quantity	South Korea margin	Subject sources price	Subject sources quantity	Subject sources margin
2018 Q1	***	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***	***

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

Note: Product 6: Casing, Grade P-110, 5 1/2" O.D., 17.0 lbs./ft., threaded and coupled, range 3, seamless sold to end users.

Figure V-8

OCTG: Weighted-average prices and quantities of domestic and imported product 6, by quarter

Price of product 6

* * * * *

Volume of product 6

* * * * *

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

Note: Product 6: Casing, Grade P-110, 5 1/2" O.D., 17.0 lbs./ft., threaded and coupled, range 3, seamless sold to end users.

Price trends

Table V-12 summarizes the price trends, by country and by product. As shown in the table, there was only sufficient pricing data to determine trends for domestic prices for product 3 and 4. Domestic prices increased for product 3 by *** percent and increased by *** percent for product 4. Import price decreases ranged from *** to *** percent and import price increased ranged from *** to *** percent. For pricing products for which data were reported in the first quarter of 2018, indexed domestic and imported prices are presented in tables V-13 and V-14 and figures V-9 and V-20.

Table V-12
OCTG: Summary of price data, by product and source

Volume in short tons; price in dollars per short ton

Product	Source	Number of quarters	Quantity	Low price	High price	First quarter price	Last quarter price	Change over period
Product 1	United States	***	***	***	***	***	***	***
Product 1	Argentina	***	***	***	***	***	***	***
Product 1	Mexico	***	***	***	***	***	***	***
Product 1	Russia	***	***	***	***	***	***	***
Product 1	South Korea	***	***	***	***	***	***	***
Product 2	United States	***	***	***	***	***	***	***
Product 2	Argentina	***	***	***	***	***	***	***
Product 2	Mexico	***	***	***	***	***	***	***
Product 2	Russia	***	***	***	***	***	***	***
Product 2	South Korea	***	***	***	***	***	***	***
Product 3	United States	***	***	***	***	***	***	***
Product 3	Argentina	***	***	***	***	***	***	***
Product 3	Mexico	***	***	***	***	***	***	***
Product 3	Russia	***	***	***	***	***	***	***
Product 3	South Korea	***	***	***	***	***	***	***
Product 4	United States	***	***	***	***	***	***	***
Product 4	Argentina	***	***	***	***	***	***	***
Product 4	Mexico	***	***	***	***	***	***	***
Product 4	Russia	***	***	***	***	***	***	***
Product 4	South Korea	***	***	***	***	***	***	***
Product 5	United States	***	***	***	***	***	***	***
Product 5	Argentina	***	***	***	***	***	***	***
Product 5	Mexico	***	***	***	***	***	***	***
Product 5	Russia	***	***	***	***	***	***	***
Product 5	South Korea	***	***	***	***	***	***	***
Product 6	United States	***	***	***	***	***	***	***
Product 6	Argentina	***	***	***	***	***	***	***
Product 6	Mexico	***	***	***	***	***	***	***
Product 6	Russia	***	***	***	***	***	***	***
Product 6	South Korea	***	***	***	***	***	***	***

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

Note: Percent change column is percentage change from the first quarter 2018 to the third quarter in 2021.

Figure V-9

OCTG: Indexed U.S. producer prices, by quarter

* * * * *

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

Figure V-10

OCTG: Indexed subject U.S. importer prices, by quarter

* * * * *

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

Table V-13
OCTG: Indexed U.S. producer prices, by quarter

Changes in percent

Period	Product 1	Product 2	Product 3	Product 4	Product 5	Product 6
2018 Q1	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires

Note: Prices are indexed off the January to March 2018 starting

Table V-14
OCTG: Indexed U.S. importer prices, by quarter

Changes in percent

Period	Product 1	Product 2	Product 3	Product 4	Product 5	Product 6
2018 Q1	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***

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

Note: Indexed prices were calculated with a base of Q1 2018 equal to 100.

Price comparisons

Prices for product imported from subject countries were below those for U.S.-produced product in 18 of 39 instances (12,847 short tons); margins of underselling ranged from 0.3 to 43.9 percent. In the remaining 21 instances (15,570 short tons), prices for product from subject countries were between 1.2 and 38.2 percent above prices for the domestic product (tables V-15 and V-16).

Table V-15**OCTG: Instances of underselling and overselling and the range and average of margins, by product**

Quantity in short tons; margin in percent

Item	Type	Number of quarters	Quantity	Average margin	Minimum margin	Maximum margin
Product 1	Underselling	***	***	***	***	***
Product 2	Underselling	***	***	***	***	***
Product 3	Underselling	***	***	***	***	***
Product 4	Underselling	***	***	***	***	***
Product 5	Underselling	***	***	***	***	***
Product 6	Underselling	***	***	***	***	***
Total, underselling	Underselling	18	12,847	18.2	0.3	43.9
Product 1	Overselling	***	***	***	***	***
Product 2	Overselling	***	***	***	***	***
Product 3	Overselling	***	***	***	***	***
Product 4	Overselling	***	***	***	***	***
Product 5	Overselling	***	***	***	***	***
Product 6	Overselling	***	***	***	***	***
Total, overselling	Overselling	21	15,570	(12.5)	(1.2)	(38.2)

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

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Table V-16**OCTG: Instances of underselling and overselling and the range and average of margins, by country**

Quantity in short tons; margin in percent

Item	Type	Number of quarters	Quantity	Average margin	Minimum margin	Maximum margin
Argentina	Underselling	***	***	***	***	***
Mexico	Underselling	***	***	***	***	***
Russia	Underselling	***	***	***	***	***
South Korea	Underselling	***	***	***	***	***
Total, underselling	Underselling	18	12,847	18.2	0.3	43.9
Argentina	Overselling	***	***	***	***	***
Mexico	Overselling	***	***	***	***	***
Russia	Overselling	***	***	***	***	***
South Korea	Overselling	***	***	***	***	***
Total, overselling	Overselling	21	15,570	(12.5)	(1.2)	(38.2)

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

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Lost sales and lost revenue

The Commission requested that U.S. producers of OCTG report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of OCTG from subject countries since January 1, 2018. Of the 17 responding U.S. producers, eight reported that they had to either reduce prices or roll back announced price increases, and eight reported that they had lost sales. One U.S. producer (***) submitted lost sales and lost revenue allegations, and identified eight firms with which it lost sales. It reported that seven of these lost sales were lost to imports from Argentina and Mexico; and one lost sale was lost to imports from South Korea and Russia.

Staff contacted eight purchasers and received responses from seven of them. Responding purchasers reported purchasing *** short tons of OCTG during 2018-20 (table V-17).

During 2020, responding purchasers purchased *** percent from U.S. producers, *** percent from subject countries, *** percent from nonsubject countries, and *** percent from “unknown source” countries. Purchasers were asked about changes in their purchasing patterns from different sources since 2018. Of the responding purchasers, two reported decreasing purchases from domestic producers, three reported no change, one reported fluctuating purchases, and one did not purchase any domestic product.¹¹ Explanations for decreasing purchases of domestic product included decreasing purchases due to market conditions and idling of domestic capacity.

Four of seven responding purchasers reported that they had purchased subject imports instead of U.S.-produced OCTG since 2018. All four purchasers reported that subject imports were lower priced than U.S.-produced OCTG and price was the basis for their choice. Two responding purchasers reported that they had purchased *** short tons of OCTG from subject countries instead of the United States (table V-18).

With respect to each subject country, of the seven responding purchasers, one reported that it had purchased imported OCTG from Argentina instead of U.S.-produced product, two responding purchasers reported that they had purchased OCTG from Mexico instead of U.S.-produced product, four responding purchasers reported that they had purchased imported OCTG from Russia, and four reported they had purchased imported OCTG from South Korea instead of U.S.-produced product since 2018. One purchaser reported that subject import prices from Argentina were lower than U.S.-produced product. Two purchasers reported that

¹¹ Of the seven responding purchasers, two purchasers indicated that they did not know the source of the OCTG they purchased.

subject import prices from Mexico were lower than U.S.-produced product. Four purchasers reported that subject imports prices from Russia were lower than U.S.-produced product and three purchasers reported that subject import prices from South Korea were lower than U.S.-produced product. One purchaser reported that price was the primary reason for the decision to purchase imported product from Mexico rather than U.S.-produced product. Four purchasers reported that price was the primary reason for the decision to purchase imported product from Russia rather than U.S.-produced product. Two purchasers reported that price was the primary reason for the decision to purchase imported product from South Korea rather than U.S.-produced product.

One purchaser estimated that the quantity of OCTG purchased from Mexico instead of domestic product was *** short tons. Two purchasers estimated that the quantity of OCTG purchased from Russia instead of domestic product was *** short tons. One purchaser reported that the quantity of OCTG purchased from South Korea instead of domestic product was *** short tons. The responding purchasers that reported purchasing OCTG from Argentina instead of domestic product *** (table V-19).

Purchaser *** reported that South Korea imported carbon surface casing since U.S. producers idled production for this product.

Of the seven responding purchasers, six reported that U.S. producers had reduced prices in order to compete with lower-priced imports from subject countries; one reported that it did not know (table V-20). The reported estimated price reductions ranged from *** to *** percent (table V-21). Purchaser *** reported that Siderca had offered lower prices than domestic firms often forcing domestic producers to lower prices. Purchaser *** reported that it was difficult to estimate the reduction in price because imports have historically been a meaningful portion of the U.S. OCTG market.

Table V-17
OCTG: U.S. purchasers' U.S. purchases and U.S. imports, 2018-20

Quantity in short tons; Change in shares in percentage points

Firm	Domestic quantity	Subject quantity	All other quantity	Change in domestic share	Change in subject share
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

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

Note: All other includes all other sources and unknown sources. Change is the percentage point change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years.

Table V-18**OCTG: Purchasers' responses to purchasing subject instead of domestic, by firm**

Quantity in short tons

Firm	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Narrative on reasons for purchasing imports
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	Yes--4; No--3	Yes--4; No--0	Yes--4; No--0	***	NA

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

Table V-19**OCTG: Purchasers' responses to purchasing subject instead of domestic, by country**

Quantity in short tons

Source	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity
Argentina	1	1	---	---
Mexico	2	2	1	***
Russia	3	3	3	***
South Korea	3	2	2	***
Subject sources	3	3	3	409,919

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

Table V-20

OCTG: Purchasers' responses to U.S. producer price reductions, by firm

Firm	U.S. producers lowered prices	Price reduction	Narrative on producer price reductions
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
All firms	Yes--6; No—0; Don't know--1	Average--***	NA

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

Table V-21

OCTG: Purchasers' responses to U.S. producer price reductions, by country

Source	Count of purchasers reporting U.S. producers reduced prices	Average percent of estimated U.S. price reduction	Range of percent of estimated U.S. price reductions
Argentina	***	***	***
Mexico	***	***	***
Russia	***	***	***
South Korea	***	***	***
Subject sources	6	22.5	***

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

In responding to the lost sales lost revenue survey, some purchasers provided additional information on purchases and market dynamics. Purchaser *** reported that Tenaris brought OCTG into the United States from Mexico, Argentina, and Russia below cost to “aggressively secure the market share” from domestic mills.

Part VI: Financial experience of U.S. producers

Background¹

Sixteen firms provided usable financial results on their OCTG operations.^{2 3} Nine of the responding U.S. producers provided their financial data on the basis of GAAP.⁴ Thirteen of the firms reported financial data on a calendar year basis.⁵

Revenue primarily reflects commercial sales, but also includes a small volume of transfers to related firms reported by ***. Transfers to related firms accounted for *** percent of the industry's combined net sales value and net tolling revenue during the period for which data were collected, and are not shown separately in this section of the report. Figure VI-1 presents each responding mill and non-toll processors' share of the total reported net sales quantity in 2020. Overall, sales of OCTG are concentrated among a few firms. The top three firms, *** accounted for *** percent of total net sales by quantity in 2020.

¹ The following abbreviations may be used in the tables and/or text of this section: generally accepted accounting principles ("GAAP"), fiscal year ("FY"), net sales ("NS"), cost of goods sold ("COGS"), selling, general, and administrative expenses ("SG&A expenses"), average unit values ("AUVs"), research and development expenses ("R&D expenses"), and return on assets ("ROA").

² ***, ***, ***.

³ These firms include nine OCTG-producing mills; three stand-alone toll-processors; two firms (***) which produced OCTG and processed unfinished OCTG that they did not produce internally on a non-toll basis; one firm (***) which produced OCTG and processed unfinished OCTG on a toll basis; one firm (***) which processed unfinished OCTG on toll and non-toll basis. ***. U.S. producers' questionnaire response of ***, question III-14.

⁴ Of the remaining companies, *** reported their financial results on the basis of International Financial Reporting Standards ("IFRS") and *** reported on a tax basis. ***.

⁵ *** reported their financial results on the basis of fiscal years that end on October 31 and September 30, respectively. ***.

Figure VI-1
OCTG: Share of U.S. mills and non-toll processors' net sales quantity in 2020, by firm

* * * * *

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

Operations on OCTG

Table VI-1 presents the combined data for U.S. producers' mill operations and non-toll processing operations in relation to OCTG.⁶ Tables VI-3 and VI-5 present the data for U.S. producers' mill operations (table VI-3) and non-toll processing operations (VI-5), separately. Tables VI-2, VI-4, and VI-6 each present the corresponding changes in AUVs for tables VI-1, VI-3, and VI-5, respectively. Table VI-7 presents selected company-specific financial data.

⁶ In this section/report, the term non-toll processing operations refers to the processing (typically heat treating) of unfinished OCTG produced by a company other than the one performing the processing.

Table VI-1**OCTG: Results of operations of U.S. mills and non-toll processing operations, by item and period**

Quantity in short tons; value in 1,000 dollars; ratios in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Total net sales	Quantity	3,213,742	3,158,673	1,730,911	1,198,444	764,338
Total net sales	Value	4,754,024	4,504,072	2,095,259	1,485,454	1,050,836
Raw material costs	Value	2,431,479	2,270,905	1,090,947	730,355	577,085
Cost of tolling services	Value	479	9,522	5,282	5,137	108
Direct labor costs	Value	412,288	438,261	255,030	164,463	124,247
Other factory costs	Value	1,605,908	1,698,451	1,208,891	782,077	446,839
COGS	Value	4,450,154	4,417,139	2,560,150	1,682,032	1,148,279
Gross profit or (loss)	Value	303,870	86,933	(464,891)	(196,578)	(97,443)
SG&A expenses	Value	473,385	367,857	289,983	175,396	151,263
Operating income or (loss)	Value	(169,515)	(280,924)	(754,874)	(371,974)	(248,706)
Other expense / (income), net	Value	***	***	***	***	***
Net income or (loss)	Value	***	***	***	***	***
Depreciation/amortization	Value	463,714	330,911	382,359	176,917	174,634
Cash flow	Value	***	***	***	***	***
Raw material costs	Ratio to NS	51.1	50.4	52.1	49.2	54.9
Direct labor costs	Ratio to NS	8.7	9.7	12.2	11.1	11.8
Other factory costs	Ratio to NS	33.8	37.7	57.7	52.6	42.5
COGS	Ratio to NS	93.6	98.1	122.2	113.2	109.3
Gross profit	Ratio to NS	6.4	1.9	(22.2)	(13.2)	(9.3)
SG&A expense	Ratio to NS	10.0	8.2	13.8	11.8	14.4
Operating income or (loss)	Ratio to NS	(3.6)	(6.2)	(36.0)	(25.0)	(23.7)
Net income or (loss)	Ratio to NS	***	***	***	***	***

Table continued.

Table VI-1 Continued**OCTG: Results of operations of U.S. mills and non-toll processing operations, by item and period**

Shares in percent; unit values in dollars per short ton; count in number of firms reporting

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Raw material costs	Share	54.6	51.4	42.6	43.4	50.3
Cost of tolling services	Share	0.0	0.2	0.2	0.3	0.0
Direct labor costs	Share	9.3	9.9	10.0	9.8	10.8
Other factory costs	Share	36.1	38.5	47.2	46.5	38.9
COGS	Share	100.0	100.0	100.0	100.0	100.0
Total net sales	Unit value	1,479	1,426	1,210	1,239	1,375
Raw material costs	Unit value	757	719	630	609	755
Direct labor costs	Unit value	128	139	147	137	163
Other factory costs	Unit value	500	538	698	653	585
Cost of goods sold	Unit value	1,385	1,398	1,479	1,404	1,502
Gross profit or (loss)	Unit value	95	28	(269)	(164)	(127)
SG&A expenses	Unit value	147	116	168	146	198
Operating income or (loss)	Unit value	(53)	(89)	(436)	(310)	(325)
Net income or (loss)	Unit value	***	***	***	***	***

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

Note: Shares represent the share of COGS. The cost of tolling service is not shown as a ratio to NS or on a unit value basis. Tolling services were not used for the majority of OCTG net sales, therefore ratios and unit values based on total net sales are not meaningful.

Table VI-2**OCTG: Changes in AUVs for U.S. mill and non-toll processing operations between comparison periods**

Changes in percent

Item	2018-20	2018-19	2019-20	Jan-Jun 2020-21
Total net sales	▼(18.2)	▼(3.6)	▼(15.1)	▲10.9
Raw material costs	▼(16.7)	▼(5.0)	▼(12.3)	▲23.9
Direct labor costs	▲14.8	▲8.2	▲6.2	▲18.5
Other factory costs	▲39.8	▲7.6	▲29.9	▼(10.4)
COGS	▲6.8	▲1.0	▲5.8	▲7.0

Table continued.

Table VI-2 Continued**OCTG: Changes in AUVs for U.S. mill and non-toll processing operations between comparison periods**

Changes in dollars per short ton

Item	2018-20	2018-19	2019-20	Jan-Jun 2020-21
Total net sales	▼(269)	▼(53)	▼(215)	▲135
Raw material costs	▼(126)	▼(38)	▼(89)	▲146
Direct labor costs	▲19	▲10	▲9	▲25
Other factory costs	▲199	▲38	▲161	▼(68)
COGS	▲94	▲14	▲81	▲99
Gross profit or (loss)	▼(363)	▼(67)	▼(296)	▲37
SG&A expense	▲20	▼(31)	▲51	▲52
Operating income or (loss)	▼(383)	▼(36)	▼(347)	▼(15)
Net income or (loss)	***	***	***	***

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

Table VI-3
OCTG: Results of operations of U.S. mills, by item and period

Quantity in short tons; value in 1,000 dollars; ratios in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Total net sales	Quantity	***	***	***	***	***
Total net sales	Value	***	***	***	***	***
Raw materials: steel sheet/coil	Value	***	***	***	***	***
Raw materials: steel billets	Value	***	***	***	***	***
Raw materials: all other	Value	***	***	***	***	***
Raw materials: total	Value	***	***	***	***	***
Cost of tolling services	Value	***	***	***	***	***
Direct labor costs	Value	***	***	***	***	***
Other factory costs	Value	***	***	***	***	***
COGS	Value	***	***	***	***	***
Gross profit or (loss)	Value	***	***	***	***	***
SG&A expenses	Value	***	***	***	***	***
Operating income or (loss)	Value	***	***	***	***	***
Other expense / (income), net	Value	***	***	***	***	***
Net income or (loss)	Value	***	***	***	***	***
Depreciation/amortization	Value	***	***	***	***	***
Cash flow	Value	***	***	***	***	***
Raw material costs	Ratio to NS	***	***	***	***	***
Direct labor costs	Ratio to NS	***	***	***	***	***
Other factory costs	Ratio to NS	***	***	***	***	***
COGS	Ratio to NS	***	***	***	***	***
Gross profit	Ratio to NS	***	***	***	***	***
SG&A expense	Ratio to NS	***	***	***	***	***
Operating income or (loss)	Ratio to NS	***	***	***	***	***
Net income or (loss)	Ratio to NS	***	***	***	***	***

Table continued.

Table VI-3 Continued
OCTG: Results of operations of U.S. mills, by item and period

Shares in percent; unit values in dollars per short ton; count in number of firms reporting

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Raw materials: steel sheet/coil	Share	***	***	***	***	***
Raw materials: steel billets	Share	***	***	***	***	***
Raw materials: all other	Share	***	***	***	***	***
Raw materials: total	Share	***	***	***	***	***
Cost of tolling services	Share	***	***	***	***	***
Direct labor costs	Share	***	***	***	***	***
Other factory costs	Share	***	***	***	***	***
COGS	Share	***	***	***	***	***
Total net sales	Unit value	***	***	***	***	***
Raw material costs	Unit value	***	***	***	***	***
Direct labor costs	Unit value	***	***	***	***	***
Other factory costs	Unit value	***	***	***	***	***
Cost of goods sold	Unit value	***	***	***	***	***
Gross profit or (loss)	Unit value	***	***	***	***	***
SG&A expenses	Unit value	***	***	***	***	***
Operating income or (loss)	Unit value	***	***	***	***	***
Net income or (loss)	Unit value	***	***	***	***	***
Operating losses	Count	***	***	***	***	***
Net losses	Count	***	***	***	***	***
Data	Count	***	***	***	***	***

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

Note: Shares represent the share of COGS. The individual components of raw materials (i.e., steel sheet/coil, steel billets, all other raw materials) and the cost of tolling services are not shown as ratios to NS or as unit values. The individual components of raw materials and tolling services were each used for a fluctuating portion of OCTG net sales. Therefore, ratios and unit values for these items that are based on total net sales are not meaningful.

Table VI-4
OCTG: Changes in AUVs for U.S. mill operations between comparison periods

Changes in percent

Item	2018-20	2018-19	2019-20	Jan-Jun 2020-21
Total net sales	***	***	***	***
Raw material costs	***	***	***	***
Direct labor costs	***	***	***	***
Other factory costs	***	***	***	***
COGS	***	***	***	***

Table continued.

Table VI-4 Continued
OCTG: Changes in AUVs for U.S. mill operations between comparison periods

Changes in dollars per short ton

Item	2018-20	2018-19	2019-20	Jan-Jun 2020-21
Total net sales	***	***	***	***
Raw material costs	***	***	***	***
Direct labor costs	***	***	***	***
Other factory costs	***	***	***	***
COGS	***	***	***	***
Gross profit or (loss)	***	***	***	***
SG&A expense	***	***	***	***
Operating income or (loss)	***	***	***	***
Net income or (loss)	***	***	***	***

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

Table VI-5
OCTG: Results of non-toll processing operations, by item and period

Quantity in short tons; value in 1,000 dollars; ratios in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Total net sales	Quantity	***	***	***	***	***
Total net sales	Value	***	***	***	***	***
Raw materials: unfinished OCTG	Value	***	***	***	***	***
Raw materials: all other	Value	***	***	***	***	***
Raw materials: total	Value	***	***	***	***	***
Direct labor costs	Value	***	***	***	***	***
Other factory costs	Value	***	***	***	***	***
COGS	Value	***	***	***	***	***
Gross profit or (loss)	Value	***	***	***	***	***
SG&A expenses	Value	***	***	***	***	***
Operating income or (loss)	Value	***	***	***	***	***
Other expense / (income), net	Value	***	***	***	***	***
Net income or (loss)	Value	***	***	***	***	***
Depreciation/amortization	Value	***	***	***	***	***
Cash flow	Value	***	***	***	***	***
Raw materials: unfinished OCTG	Ratio to NS	***	***	***	***	***
Raw materials: all other	Ratio to NS	***	***	***	***	***
Raw materials: total	Ratio to NS	***	***	***	***	***
Direct labor costs	Ratio to NS	***	***	***	***	***
Other factory costs	Ratio to NS	***	***	***	***	***
COGS	Ratio to NS	***	***	***	***	***
Gross profit	Ratio to NS	***	***	***	***	***
SG&A expense	Ratio to NS	***	***	***	***	***
Operating income or (loss)	Ratio to NS	***	***	***	***	***
Net income or (loss)	Ratio to NS	***	***	***	***	***

Table continued.

Table VI-5 Continued

OCTG: Results of non-toll processing operations, by item and period

Shares in percent; unit values in dollars per short ton; count in number of firms reporting

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Raw materials: unfinished OCTG	Share	***	***	***	***	***
Raw materials: all other	Share	***	***	***	***	***
Raw materials: total	Share	***	***	***	***	***
Direct labor costs	Share	***	***	***	***	***
Other factory costs	Share	***	***	***	***	***
COGS	Share	***	***	***	***	***
Total net sales	Unit value	***	***	***	***	***
Raw materials: unfinished OCTG	Unit value	***	***	***	***	***
Raw materials: all other	Unit value	***	***	***	***	***
Raw materials: total	Unit value	***	***	***	***	***
Direct labor costs	Unit value	***	***	***	***	***
Other factory costs	Unit value	***	***	***	***	***
Cost of goods sold	Unit value	***	***	***	***	***
Gross profit or (loss)	Unit value	***	***	***	***	***
SG&A expenses	Unit value	***	***	***	***	***
Operating income or (loss)	Unit value	***	***	***	***	***
Net income or (loss)	Unit value	***	***	***	***	***
Operating losses	Count	***	***	***	***	***
Net losses	Count	***	***	***	***	***
Data	Count	***	***	***	***	***

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

Note: Shares represent the share of COGS. All raw materials of unfinished OCTG were reported to be ***.

Table VI-6
OCTG: Changes in AUVs for non-toll processing operations between comparison periods

Changes in percent

Item	2018-20	2018-19	2019-20	Jan-Jun 2020-21
Total net sales	***	***	***	***
Raw materials: unfinished OCTG	***	***	***	***
Raw materials: all other	***	***	***	***
Raw materials: total	***	***	***	***
Direct labor costs	***	***	***	***
Other factory costs	***	***	***	***
COGS	***	***	***	***

Table continued.

Table VI-6 Continued
OCTG: Changes in AUVs for non-toll processing operations between comparison periods

Changes in dollars per short ton

Item	2018-20	2018-19	2019-20	Jan-Jun 2020-21
Total net sales	***	***	***	***
Raw materials: unfinished OCTG	***	***	***	***
Raw materials: all other	***	***	***	***
Raw materials: total	***	***	***	***
Direct labor costs	***	***	***	***
Other factory costs	***	***	***	***
COGS	***	***	***	***
Gross profit or (loss)	***	***	***	***
SG&A expense	***	***	***	***
Operating income or (loss)	***	***	***	***
Net income or (loss)	***	***	***	***

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

**Table VI-7
OCTG: U.S. mills and non-toll processors: Total net sales quantity, by firm and period**

Net sales quantity

Quantity in short tons

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	3,213,742	3,158,673	1,730,911	1,198,444	764,338

Table continued.

**Table VI-7 Continued
OCTG: U.S. mills and non-toll processors: Total net sales value, by firm and period**

Net sales value

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	4,754,024	4,504,072	2,095,259	1,485,454	1,050,836

Table continued.

Table VI-7 Continued

OCTG: U.S. mills and non-toll processors firm-by-firm: COGS, by firm and period

COGS

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	4,450,154	4,417,139	2,560,150	1,682,032	1,148,279

Table continued.

Table VI-7 Continued

OCTG: U.S. mills and non-toll processors firm-by-firm: Gross profit or (loss), by firm and period

Gross profit or (loss)

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	303,870	86,933	(464,891)	(196,578)	(97,443)

Table continued.

Table VI-7 Continued

OCTG: U.S. mills and non-toll processors firm-by-firm: SG&A expenses, by firm and period

SG&A expenses

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	473,385	367,857	289,983	175,396	151,263

Table continued.

Table VI-7 Continued

OCTG: U.S. mills and non-toll processors firm-by-firm: Operating income or (loss), by firm and period

Operating income or (loss)

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	(169,515)	(280,924)	(754,874)	(371,974)	(248,706)

Table continued.

Table VI-7 Continued
OCTG: U.S. mills and non-toll processors firm-by-firm: Net income or (loss), by firm and period

Net income or (loss)

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-7 Continued
OCTG: U.S. mills and non-toll processors firm-by-firm: Ratio of COGS to net sales value, by firm and period

COGS to net sales ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	93.6	98.1	122.2	113.2	109.3

Table continued.

Table VI-7 Continued

OCTG: U.S. mills and non-toll processors firm-by-firm: Ratio of gross profit or (loss) to net sales value, by firm and period

Gross profit or (loss) to net sales ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	6.4	1.9	(22.2)	(13.2)	(9.3)

Table continued.

Table VI-7 Continued

OCTG: U.S. mills and non-toll processors firm-by-firm: Ratio of SG&A expenses to net sales value, by firm and period

SG&A expenses to net sales ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	10.0	8.2	13.8	11.8	14.4

Table continued.

Table VI-7 Continued

OCTG: U.S. mills and non-toll processors firm-by-firm: Ratio of operating income or (loss) to net sales value, by firm and period

Operating income or (loss) to net sales ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	(3.6)	(6.2)	(36.0)	(25.0)	(23.7)

Table continued.

Table VI-7 Continued

OCTG: U.S. mills and non-toll processors firm-by-firm: Ratio of net income or (loss) to net sales value, by firm and period

Net income or (loss) to net sales ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-7 Continued

OCTG: U.S. mills and non-toll processors firm-by-firm: Unit net sales value, by firm and period

Unit net sales value

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	1,479	1,426	1,210	1,239	1,375

Table continued.

Table VI-7 Continued

OCTG: U.S. mills and non-toll processors firm-by-firm: Unit raw material costs, by firm and period

Unit raw material costs

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	757	719	630	609	755

Table continued.

Table VI-7 Continued

OCTG: U.S. mills and non-toll processors firm-by-firm: Unit direct labor costs, by firm and period

Unit direct labor costs

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	128	139	147	137	163

Table continued.

Table VI-7 Continued

OCTG: U.S. mills and non-toll processors firm-by-firm: Unit other factory costs, by firm and period

Unit other factory costs

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
All firms	500	538	698	653	585

Table continued.

Table VI-7 Continued

OCTG: U.S. mills and non-toll processors firm-by-firm: Unit COGS, by firm and period

Unit COGS

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	1,385	1,398	1,479	1,404	1,502

Table continued.

Table VI-7 Continued

OCTG: U.S. mills and non-toll processors firm-by-firm: Unit gross profit or (loss), by firm and period

Unit gross profit or (loss)

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	95	28	(269)	(164)	(127)

Table continued.

Table VI-7 Continued**OCTG: U.S. mills and non-toll processors firm-by-firm: Unit SG&A expenses, by firm and period****Unit SG&A expenses**

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	147	116	168	146	198

Table continued.

Table VI-7 Continued**OCTG: U.S. mills and non-toll processors firm-by-firm: Unit operating income or (loss), by firm and period****Unit operating income or (loss)**

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	(53)	(89)	(436)	(310)	(325)

Table continued.

Table VI-7 Continued

OCTG: U.S. mills and non-toll processors firm-by-firm: Unit net income or (loss), by firm and period

Unit net income or (loss)

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

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

Net sales

As seen in table VI-1, the net sales quantity of the U.S. mills and non-toll processors declined from 3.2 million short tons in 2018 to 1.7 million short tons in 2020 and was lower in January-June 2021 than in January-June 2020. Total net sales value also declined from \$4.8 billion in 2018 to \$2.1 billion in 2020 and was lower in January-June 2021 than in January-June 2020. On a company-specific basis, as shown in table VI-7, all U.S. mills and non-toll processors except *** reported similar directional trends in net sales (an overall decline from 2018 to 2020 and lower net sales quantity and value in January-June 2021 than in January-June 2020).⁷ *** reported plant closings and/or prolonged shutdowns during the reporting period.

The U.S. mills' and non-toll processors' net sales AUV also declined from \$1,479 in 2018 to \$1,210 in 2020 but was higher in January-June 2021 than in January-June 2020. On a company-specific basis, as shown in table VI-7, all U.S. mills and non-toll processors except *** showed a decline in their net sales AUVs from 2018 to 2020 and higher net sales AUVs in January-June 2021 than in January-June 2020.

⁷ ***.

During the reporting period, *** mills reported producing welded OCTG and *** mills reported producing seamless OCTG. There is some overlap as *** produce both seamless and welded OCTG.^{8 9 10} Table VI-8 presents the U.S. mills' net sales of welded and seamless OCTG, the net sales AUVs of each, and their relative shares of the net sales quantity and value.

Table VI-8
OCTG: U.S. mills' net sales by product type and period

Quantity in short tons; value in 1,000 dollars; unit value in dollars per short ton; shares in percent

Net sales	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Welded OCTG	Quantity	***	***	***	***	***
Seamless OCTG	Quantity	***	***	***	***	***
All OCTG	Quantity	***	***	***	***	***
Welded OCTG	Value	***	***	***	***	***
Seamless OCTG	Value	***	***	***	***	***
All OCTG	Value	***	***	***	***	***
Welded OCTG	Unit value	***	***	***	***	***
Seamless OCTG	Unit value	***	***	***	***	***
All OCTG	Unit value	***	***	***	***	***
Welded OCTG	Share of quantity	***	***	***	***	***
Seamless OCTG	Share of quantity	***	***	***	***	***
All OCTG	Share of quantity	***	***	***	***	***
Welded OCTG	Share of value	***	***	***	***	***
Seamless OCTG	Share of value	***	***	***	***	***
All OCTG	Share of value	***	***	***	***	***

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

⁸ ***.

⁹ ***. *** U.S. producer questionnaire, sections II-13 and III-9c.

¹⁰ *** of the U.S. mills (***) produce only welded OCTG and *** U.S. mills (***) produce only seamless OCTG.

Table VI-8 shows that welded OCTG accounted for a smaller and decreasing share of the U.S. mills' total net sales quantity and value during the reporting period, while seamless OCTG accounted for a larger and increasing share. Net sales of both welded and seamless OCTG decreased from 2018 to 2020, and were lower in interim 2021 compared to interim 2020, however, net sales of welded OCTG decreased at a faster rate.¹¹ The net sales AUVs of both welded and seamless OCTG decreased from 2018 to 2020, but were higher in interim 2021 than in interim 2020. However, compared with seamless OCTG, the net sales AUV of welded OCTG decreased by a larger amount between 2018 and 2020 and increased by a smaller amount between the comparable interim periods.

Cost of goods sold and gross profit or loss

Raw materials

As seen in table VI-1, the total raw material cost for U.S. mills and non-toll processors is the largest component of cost of goods sold ("COGS") during most of the reporting period, ranging from 42.6 percent (2020) to 54.6 percent (2018) of total COGS. On a per-short ton basis, raw material costs decreased from 2018 to 2020 but were higher in January-June 2021 than in January-June 2020. On a company-specific basis, as shown in table VI-7, all U.S. mills except *** reported a decline in their per-short ton raw material costs from 2018 to 2020 and all U.S. mills except *** reported higher per-short ton raw material costs in January-June 2021 than in January-June 2020. Non-toll processors reported an irregular increase in their per-short ton raw material costs from 2018 to 2020 and lower per-short ton raw material costs in January-June 2021 than in January-June 2020.¹²

Raw materials for U.S. mills consist of steel sheet/coil (for the production of welded OCTG), steel billets (for the production of seamless OCTG), and a small amount of other raw material inputs. Raw materials for non-toll processors consists of unfinished OCTG. Tables VI-9 and VI-10 provide the U.S. mills' raw material costs for welded OCTG and seamless OCTG, respectively.

¹¹ Welded OCTG and seamless OCTG quantities decreased from 2018 to 2020 by *** percent and *** percent, respectively. Welded OCTG and seamless OCTG values decreased from 2018 to 2020 by *** percent and *** percent, respectively.

¹² The increase in raw material AUVs for non-toll processors is primarily due to ***.

Table VI-9**Welded OCTG: U.S. mills' net sales and main raw material input cost, by item and period**

Quantity in short tons; value in 1,000 dollars; unit value in dollars per short ton; ratios in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Total net sales	Quantity	***	***	***	***	***
Total net sales	Value	***	***	***	***	***
Steel sheet/coil	Value	***	***	***	***	***
Total net sales	Unit value	***	***	***	***	***
Steel sheet/coil	Unit value	***	***	***	***	***
Steel sheet/coil	Ratio to NS	***	***	***	***	***

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

Note: ***. Therefore, the 2020, interim 2020, and interim 2021 steel sheet/coil unit values and ratios to net sales are likely understated.

Table VI-10**Seamless OCTG: U.S. mills' net sales and main raw material input cost, by item and period**

Quantity in short tons; value in 1,000 dollars; unit value in dollars per short ton; ratios in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Total net sales	Quantity	***	***	***	***	***
Total net sales	Value	***	***	***	***	***
Steel billets	Value	***	***	***	***	***
Total net sales	Unit value	***	***	***	***	***
Steel billets	Unit value	***	***	***	***	***
Steel billets	Ratio to NS	***	***	***	***	***

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

Note: ***. Therefore, the 2020, interim 2020, and interim 2021 steel billet unit values and ratios to net sales are likely understated.

As seen in table VI-9, the raw material cost for steel sheet/coil declined from \$*** per short ton in 2018 to \$*** per short ton in 2020 but was higher in January-June 2021 (\$***) than in January-June 2020 (\$***). Table VI-10 shows that the raw material cost of steel billets decreased from \$*** per short ton in 2018 to \$*** per short ton in 2020 but was higher in January-June 2021 (\$***) than in January-June 2020 (\$***).¹³

Direct labor and other factory costs

The U.S. mills and non-toll processors' direct labor is the smallest component of COGS in each period, ranging from 9.3 percent (2018) to 10.8 percent (January-June 2021) of total COGS. The per-short ton cost of direct labor increased from 2018 to 2020 and was higher in January-June 2021 compared to January-June 2020.

Other factory costs were the second largest component of COGS during most of the reporting period and accounted for between 36.1 percent (2018) and 47.2 percent (2020) of total COGS during the period for which data were collected.¹⁴ As a ratio to sales and on a per-short ton basis, other factory costs increased from 2018 to 2020 but were lower in January-June 2021 than in January-June 2020. ***.¹⁵ In general, the producers of welded OCTG reported lower per-short ton other factory costs than the companies that either exclusively or mostly produced seamless OCTG.

¹³ Six of the responding U.S. producers reported purchasing inputs from related suppliers. ***. U.S. producers' questionnaire responses, sections III-7 and III-8.

¹⁴ Other factory costs were the largest component of COGS in 2020. During that year, when net sales of OCTG decreased precipitously, all components of COGS decreased on a value basis. However, due to the fact that other factory costs contain both variable and fixed costs, it decreased proportionally less than raw materials and direct labor.

¹⁵ Email from ***, October 25, 2021.

COGS and gross profit or loss

The U.S. mills and non-toll processors' total COGS decreased from \$4.4 billion in 2018 to \$2.6 billion in 2020. Between 2018 and 2020, the decrease in total COGS did not keep pace with the sharper decrease in total net sales value. This resulted in the mills and non-toll processors experiencing a decrease in gross profit from \$303.9 million in 2018 to a gross loss of \$464.9 million in 2020. The U.S. mills and non-toll processors' total COGS were lower in January-June 2021 (\$1.1 billion) than in January-June 2020 (\$1.7 billion). As total COGS declined more than total net sales value, the total gross loss improved in January-June 2021 (a loss of \$97.4 million) compared to January-June 2020 (a loss of \$196.6 million). The gross profit margin (gross profit divided by total net sales) exhibited the same trend. On a company-specific basis (table VI-7), all U.S. mills and non-toll processors with sales throughout the period examined reported a decline in their gross profit and gross profit margins from 2018 to 2020. Six firms reported lower gross profit and gross profit margins in January-June 2021 than in January-June 2020.^{16 17}

¹⁶ The combined gross profit for U.S. mills, non-toll processing operations, and toll processors was \$*** in 2018, \$*** in 2019, \$*** in 2020, \$*** in January-June 2020, and \$*** in January-June 2021. The gross profit margin for the combined data of the U.S. mills, non-toll processing operations, and toll processors was *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in January-June 2020, and *** percent in January-June 2021.

¹⁷ The average ratio of gross profit to net sales for the *** U.S. mills that exclusively or primarily produce welded OCTG was *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in interim 2020, and *** percent in interim 2021.

The average ratio of gross profit to net sales for the *** U.S. mills that exclusively produce seamless OCTG was *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in interim 2020, and *** percent in interim 2021.

The average ratio of gross profit to net sales for the *** U.S. mills that produce both welded and seamless OCTG was *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in interim 2020, and *** percent in interim 2021.

SG&A expenses and operating income or loss

The U.S. mills and non-toll processors' total SG&A expenses decreased from 2018 to 2020 and were lower in January-June 2021 than in January-June 2020. *** accounted for the large majority of the noticeable decline in SG&A expenses from 2018 to 2019. The decrease in the company's SG&A expenses was mostly the result of a \$*** nonrecurring item that was included in the company's 2018 SG&A expenses.¹⁸ As a ratio to net sales, SG&A expenses increased irregularly from 2018 to 2020 and were higher in January-June 2021 than in January-June 2020.

The U.S. mills and non-toll processors' operating loss worsened from a loss of \$169.5 million in 2018 to a loss of \$754.9 million in 2020 but improved in January-June 2021 (a loss of \$248.7 million) compared to January-June 2020 (a loss of \$372.0 million). The operating loss margin (operating loss divided by total net sales) exhibited the same directional trends. On a company-specific basis, as shown in table VI-7, all U.S. mills and non-toll processors with sales throughout the period examined experienced a decline in their operating income and operating income margin from 2018 to 2020. Six firms reported higher operating income in January-June 2021 than in January-June 2020.^{19 20}

¹⁸ This nonrecurring item was related to ***. U.S. producers' questionnaire response of ***, question III-10.

¹⁹ The combined operating income for U.S. mills, non-toll processing operations, and toll processors was \$*** in 2018, \$*** in 2019, \$*** in 2020, \$*** in January-June 2020, and \$*** in January-June 2021. The operating income margin for the combined data of the U.S. mills, non-toll processing operations, and toll processors was *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in January-June 2020, and *** percent in January-June 2021.

²⁰ The average ratio of operating income to net sales for the *** U.S. mills that exclusively or primarily produce welded OCTG was *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in interim 2020, and *** percent in interim 2021.

The average ratio of operating income to net sales for the *** U.S. mills that exclusively produce seamless OCTG was *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in interim 2020, and *** percent in interim 2021.

The average ratio of operating income to net sales for the *** U.S. mills that produce both welded and seamless OCTG was *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in interim 2020, and *** percent in interim 2021.

All other expenses and net income or loss

Classified below the operating income level are interest expense, other expense, and other income, which are often allocated to the product line from high levels in the corporation. In table VI-1 these items are aggregated and only the net amount is shown. The U.S. mills and non-toll processors' net amount of all other expenses irregularly increased overall from \$196.7 million in 2018 to \$516.7 million in 2020 and was lower in January-June 2021 (\$22.2 million) than in January-June 2020 (\$471.4 million). The vast majority of the increase in all other expenses in 2020 was due to nonrecurring charges reported by ***. ***. ²¹

The net loss worsened from a loss of \$366.2 million in 2018 to a loss of \$1.3 billion in 2020 but was improved in January-June 2021 (a loss of \$270.9 million) compared to January-June 2020 (a loss of \$843.4 million). The net loss margin (net loss divided by total net sales) exhibited the same directional trends. On a company-specific basis, as shown in table VI-7, all U.S. mills and non-toll processors with sales throughout the period examined experienced a decline in their net income and net income margin from 2018 to 2020. Six firms reported higher net income in January-June 2021 than in January-June 2020. ^{22 23}

²¹ ***.

²² The average ratio of net income to net sales for the *** U.S. mills that exclusively or primarily produce welded OCTG was *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in interim 2020, and *** percent in interim 2021.

The average ratio of net income to net sales for the *** U.S. mills that exclusively produce seamless OCTG was *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in interim 2020, and *** percent in interim 2021.

The average ratio of net income to net sales for the *** U.S. mills that produce both welded and seamless OCTG was *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in interim 2020, and *** percent in interim 2021.

²³ Due to the differences in cost structures between U.S. mills and non-toll processing operations, a variance analysis would not be meaningful, and is therefore not shown.

Tolling operations

In a tolling arrangement, the tollee provides the input material (retaining title to the input) to the toller. The toller, in turn, upgrades the input to the desired form and quality. In the case of OCTG, the toll processing that is performed is typically that of heat-treating of unfinished OCTG (green tube) to its final API grade. *** firms reported data on their tolling operations.²⁴ Figure VI-2 presents each responding toll processors' share of the reported tolling revenue in 2020. Table VI-11 presents aggregated data on the toll-processors' operations in relation to OCTG, while table VI-12 presents the corresponding changes in the AUVs from table VI-11. Table VI-13 presents selected company-specific financial data.

Figure VI-2
OCTG: Share of tolling revenue in 2020, by firm

* * * * *

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

²⁴ *** . *** U.S. producers' questionnaire response, section VI-4a-b.

Table VI-11
OCTG: Results of operations of U.S. toll processors, by item and period

Quantity in short tons; value in 1,000 dollars; ratios in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Net tolling quantity	Quantity	***	***	***	***	***
Net tolling revenue	Value	***	***	***	***	***
Raw materials not supplied by tollee	Value	***	***	***	***	***
Direct labor costs	Value	***	***	***	***	***
Other factory costs	Value	***	***	***	***	***
Total cost of tolling services (COTS)	Value	***	***	***	***	***
Gross profit or (loss)	Value	***	***	***	***	***
G&A expenses	Value	***	***	***	***	***
Operating income or (loss)	Value	***	***	***	***	***
Raw materials not supplied by tollee	Ratio to tolling revenue	***	***	***	***	***
Direct labor costs	Ratio to tolling revenue	***	***	***	***	***
Other factory costs	Ratio to tolling revenue	***	***	***	***	***
COTS	Ratio to tolling revenue	***	***	***	***	***
Gross profit or (loss)	Ratio to tolling revenue	***	***	***	***	***
G&A expenses	Ratio to tolling revenue	***	***	***	***	***
Operating income or (loss)	Ratio to tolling revenue	***	***	***	***	***

Table continued.

Table VI-11 Continued
OCTG: Results of operations of U.S. toll processors, by item and period

Shares in percent; unit values in dollars per short ton; count in number of firms reporting

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Raw materials not supplied by tollee	Share	***	***	***	***	***
Direct labor costs	Share	***	***	***	***	***
Other factory costs	Share	***	***	***	***	***
Total cost of tolling services	Share	***	***	***	***	***
Net tolling revenue	Unit value	***	***	***	***	***
Raw materials not supplied by tollee	Unit value	***	***	***	***	***
Direct labor costs	Unit value	***	***	***	***	***
Other factory costs	Unit value	***	***	***	***	***
COTS	Unit value	***	***	***	***	***
Gross profit or (loss)	Unit value	***	***	***	***	***
G&A expenses	Unit value	***	***	***	***	***
Operating income or (loss)	Unit value	***	***	***	***	***
Operating losses	Count	***	***	***	***	***
Data	Count	***	***	***	***	***

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

Note: Shares represent the share of COGS.

Table VI-12**OCTG: U.S. toll processors' changes in average unit values between comparison periods**

Changes in percent

Item	2018-20	2018-19	2019-20	Jan-Jun 2020-21
Net tolling revenue	***	***	***	***
Raw materials not supplied by tollee	***	***	***	***
Direct labor costs	***	***	***	***
Other factory costs	***	***	***	***
COTS	***	***	***	***

Table continued.

Table VI-12 Continued**OCTG: U.S. toll processors' changes in average unit values between comparison periods**

Changes in dollars per short ton

Item	2018-20	2018-19	2019-20	Jan-Jun 2020-21
Net tolling revenue	***	***	***	***
Raw materials not supplied by tollee	***	***	***	***
Direct labor costs	***	***	***	***
Other factory costs	***	***	***	***
COTS	***	***	***	***
Gross profit or (loss)	***	***	***	***
G&A expenses	***	***	***	***
Operating income or (loss)	***	***	***	***

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

Table VI-13
OCTG: U.S. toll processors firm-by-firm: Net tolling quantity, by firm and period
Net tolling quantity

Quantity in short tons

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table VI-13 Continued
OCTG: U.S. toll processors firm-by-firm: Net tolling revenue, by firm and period
Net tolling revenue

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table VI-13 Continued
OCTG: U.S. toll processors firm-by-firm: COTS, by firm and period
COTS

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table VI-13 Continued
OCTG: U.S. toll processors firm-by-firm: Gross profit or (loss), by firm and period
Gross profit or (loss)

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table VI-13 Continued
OCTG: U.S. toll processors firm-by-firm: G&A expenses, by firm and period
G&A expenses

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table VI-13 Continued
OCTG: U.S. toll processors firm-by-firm: Operating income or (loss), by firm and period
Operating income or (loss)

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table VI-13 Continued

OCTG: U.S. toll processors firm-by-firm: Ratio of COTS to net tolling revenue, by firm and period

COTS to net tolling revenue ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table VI-13 Continued

OCTG: U.S. toll processors firm-by-firm: Ratio of gross profit or (loss) to net tolling revenue, by firm and period

Gross profit or (loss) to net tolling revenue ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table VI-13 Continued

OCTG: U.S. toll processors firm-by-firm: Ratio of G&A expenses to net tolling revenue, by firm and period

G&A expenses to net tolling revenue ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table VI-13 Continued

OCTG: U.S. toll processors firm-by-firm: Ratio of operating income or (loss) to net tolling revenue, by firm and period

Operating income or (loss) to net tolling revenue ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table VI-13 Continued

OCTG: U.S. toll processors firm-by-firm: Unit net tolling revenue, by firm and period

Unit net tolling revenue

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table VI-13 Continued

OCTG: U.S. toll processors firm-by-firm: Unit raw material costs not supplied by tollee, by firm and period

Unit raw material costs not supplied by tollee

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table VI-13 Continued

OCTG: U.S. toll processors firm-by-firm: Unit direct labor costs, by firm and period

Unit direct labor costs

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table VI-13 Continued

OCTG: U.S. toll processors firm-by-firm: Unit other factory costs, by firm and period

Unit other factory costs

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table VI-13 Continued

OCTG: U.S. toll processors firm-by-firm: Unit COTS, by firm and period

Unit COTS

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table VI-13 Continued

OCTG: U.S. toll processors firm-by-firm: Unit gross profit or (loss), by firm and period

Unit gross profit or (loss)

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table VI-13 Continued

OCTG: U.S. toll processors firm-by-firm: Unit G&A expenses, by firm and period

Unit G&A expenses

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table VI-13 Continued

OCTG: U.S. toll processors firm-by-firm: Unit operating income or (loss), by firm and period

Unit operating income or (loss)

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

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

As seen in table VI-11, the net tolling quantity and value of OCTG followed a similar directional trend as the U.S. mills and non-toll processors' net sales quantity and value. Net tolling quantity decreased from *** short tons in 2018 to *** short tons in 2020 but was higher in January-June 2021 (*** short ton) than in January-June 2020 (*** short ton). Net tolling revenue (the fees paid by the tollee to the toller) decreased from \$*** in 2018 to \$*** in 2020 but was higher in January-June 2021 (\$***) than in January-June 2020 (\$***).²⁵ The average unit value of the tolling revenues increased from \$*** per short ton in 2018 to \$*** per short ton in 2020 and was higher in January-June 2021 (\$***) than in January-June 2020 (\$***).

The total cost of tolling services includes direct labor, other factory costs, and any additional raw materials the toller uses in its processing activities, outside of the raw materials provided by the tollee (i.e., the unfinished OCTG). The additional raw materials, reported by ***, were minor on an aggregated basis, and accounted for between *** percent to *** percent of the total cost of tolling services during the period for which data were collected.²⁶ The tollers' direct labor costs accounted for between *** percent and *** percent of the total cost of tolling services during the reporting period while other factory costs accounted for between *** percent and *** percent.

Toll processors' gross profit decreased from \$*** in 2018 to \$*** in 2020 but was higher in January-June 2021 (\$***) than in January-June 2020 (\$***). The gross profit margin exhibited the same directional trends.

Toll processors' G&A expenses decreased from \$*** in 2018 to \$*** in 2020 but were higher in January-June 2021 (\$***) than in January-June 2020 (\$***).²⁷ Toll processors' operating income decreased from \$*** in 2018 to *** in 2020 but improved from *** in January-June 2020

²⁵ The majority of toll-processed OCTG was ***. OCTG that was processed for *** accounted for between *** percent of the total quantity of toll-processed OCTG during the period for which data were collected, and *** percent of the U.S. mills' total net sales volume of OCTG.

²⁶ While ***. Email from ***, October 25, 2021.

²⁷ ***.

to *** in January-June 2021.²⁸ Table VI-14 presents the U.S. producers' narrative responses regarding the effects on financial performance of COVID-19.

Table VI-14
OCTG: U.S. producers' narrative responses relating to COVID-19 pandemic effects on U.S. producers' financial performance

Firm	Impact	Narrative response
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

²⁸ Due to *** a variance analysis would not be meaningful, and is therefore not shown.

Firm	Impact	Narrative response
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

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

Table VI-16

OCTG: Narrative descriptions of U.S. producers' capital expenditures, by firm

Firm	Narrative on capital expenditures
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

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

Table VI-18

OCTG: Narrative descriptions of U.S. producers' R&D expenses, by firm

Firm	Narrative on R&D expenses
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

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

Table VI-21

OCTG: Narrative descriptions of U.S. producers' total net assets, by firm

Firm	Narrative on assets
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

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

Capital and investment

The Commission requested U.S. producers of OCTG to describe any actual or potential negative effects of imports of OCTG from Argentina, Mexico, Russia, and Korea on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-22 presents the number of firms reporting an impact in each category and table VI-23 provides the U.S. producers' narrative responses.

Table VI-22

OCTG: Count of firms indicating actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2018, by effect

Number of firms reporting

Effect	Category	Count
Cancellation, postponement, or rejection of expansion projects	Investment	6
Denial or rejection of investment proposal	Investment	0
Reduction in the size of capital investments	Investment	2
Return on specific investments negatively impacted	Investment	3
Other investment effects	Investment	4
Any negative effects on investment	Investment	8
Rejection of bank loans	Growth	1
Lowering of credit rating	Growth	1
Problem related to the issue of stocks or bonds	Growth	0
Ability to service debt	Growth	2
Other growth and development effects	Growth	3
Any negative effects on growth and development	Growth	5
Anticipated negative effects of imports	Future	9

Note: *** did not respond "yes" or "no" to the questions that asked if the firm experienced negative effects on investment and negative effects on growth and development. *** did not respond "yes" or "no" to the questions that asked if the firm anticipated negative effects of imports.

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

Table VI-23**OCTG: Narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2018**

Item	Firm name and narrative on impact of imports
Cancellation, postponement, or rejection of expansion projects	***
Cancellation, postponement, or rejection of expansion projects	***
Cancellation, postponement, or rejection of expansion projects	***
Cancellation, postponement, or rejection of expansion projects	***
Cancellation, postponement, or rejection of expansion projects	***
Cancellation, postponement, or rejection of expansion projects	***
Reduction in the size of capital investments	***
Reduction in the size of capital investments	***
Return on specific investments negatively impacted	***
Return on specific investments negatively impacted	***
Return on specific investments negatively impacted	***
Other negative effects on investments	***
Other negative effects on investments	***

Item	Firm name and narrative on impact of imports
Other negative effects on investments	***
Other negative effects on investments	***
Rejection of bank loans	***
Lowering of credit rating	***
Ability to service debt	***
Ability to service debt	***
Other effects on growth and development	***
Other effects on growth and development	***
Other effects on growth and development	***
Anticipated effects of imports	***
Anticipated effects of imports	***
Anticipated effects of imports	***
Anticipated effects of imports	***
Anticipated effects of imports	***
Anticipated effects of imports	***
Anticipated effects of imports	***
Anticipated effects of imports	***
Anticipated effects of imports	***
Anticipated effects of imports	***

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

Part VII: Threat considerations and information on nonsubject countries

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors¹--

- (I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
- (II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
- (III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
- (IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
- (V) inventories of the subject merchandise,*

¹ Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that “The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition.”

- (VI) *the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,*
- (VII) *in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),*
- (VIII) *the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and*
- (IX) *any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).²*

Information on the nature of the alleged subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in *Parts IV and V*; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in *Part VI*. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

² Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

The industry in Argentina

The Commission issued foreign producers' or exporters' questionnaires to 10 firms believed to produce and/or export OCTG from Argentina.³ Usable responses to the Commission's questionnaire were received from one firm: Siderca.⁴ Siderca's exports to the United States accounted for virtually all U.S. imports of OCTG from Argentina in 2020.⁵ Siderca estimates that it accounted for approximately *** percent of overall production of OCTG in Argentina in 2020. Table VII-1 presents information on the OCTG operations of the responding producer/exporter in Argentina.

Table VII-1
OCTG: Summary data for producer in Argentina, 2020

Quantity in short tons; share in percent

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Siderca	***	***	***	***	***	***
All firms	***	***	***	***	***	***

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

Changes in operations

Table VII-2 presents the Argentinian producer's reported operational and organizational changes since January 1, 2018.

³ These firms were identified through a review of information submitted in the petition and presented in third-party sources. All firms are API 5CT certified. One firm, ***, confirmed that it is a welded pipe manufacturer in Argentina that does not produce OCTG. Staff correspondence with ***, October 22, 2021.

⁴ Siderca is part of the Tenaris group of companies and is affiliated with U.S. producer Tenaris USA, U.S. importer Tenaris Global, and Mexican producer TAMSA.

⁵ Siderca's exports to the United States *** U.S. imports from Argentina in 2020, based on official Commerce statistics. This may be due to timing differences in shipping/Customs clearance and recordkeeping.

Table VII-2
OCTG: Reported changes in operations by producer in Argentina, since January 1, 2018

Item	Firm name and accompanying narrative response
Prolonged curtailments	***

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

Operations on OCTG

Table VII-3 presents information on the OCTG operations of the responding producer in Argentina. Capacity for OCTG was stable during the period for which data were collected. Production decreased by *** percent during 2018-20 and was *** percent higher in January-June 2021 than in January-June 2020. Production is projected to increase in 2022 while capacity is projected to remain the same. As mentioned previously, Siderca attributed its production trends during 2018-20 to ***. Siderca also noted that ***.⁶

Total home market shipments accounted for more than *** percent of total shipments in each period. Export shipments to the United States as a share of total shipments decreased from *** percent in 2018 to *** percent in 2020, were *** percent in interim 2021 compared to *** percent in interim 2020, and are projected to be *** percent in 2022.⁷

⁶ Siderca’s foreign producer questionnaire response, II-2.

⁷ Siderca reported that ***. Siderca’s foreign producer questionnaire response, II-10.

Table VII-3
OCTG: Data for producer in Argentina, by period

Quantity in short tons

Item	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021	Projected 2021	Projected 2022
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued.

Table VII-3 Continued
OCTG: Data for producer in Argentina, by period

Shares and ratios in percent

Item	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021	Projected 2021	Projected 2022
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***

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

Alternative products

Table VII-4 presents the responding producer's production of other products on the same equipment and machinery used to produce OCTG. Siderca reported production of alternative products, including ***. The majority of Siderca's *** capacity is dedicated to the production of OCTG. Regarding its ability to switch production from OCTG to alternative products, Siderca reported that ***.⁸

⁸ Siderca's foreign producer questionnaire response, II-4.

Table VII-4**OCTG: Argentinian producer's overall capacity and production on the same equipment as subject production, by period**

Quantity in short tons; shares and ratios in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Seamless capacity	Quantity	***	***	***	***	***
Welded capacity	Quantity	***	***	***	***	***
Overall capacity	Quantity	***	***	***	***	***
Seamless OCTG production	Quantity	***	***	***	***	***
Welded OCTG production	Quantity	***	***	***	***	***
All OCTG production	Quantity	***	***	***	***	***
Other production	Quantity	***	***	***	***	***
Total production	Quantity	***	***	***	***	***
Overall capacity utilization	Ratio	***	***	***	***	***
Seamless OCTG production	Share	***	***	***	***	***
Welded OCTG production	Share	***	***	***	***	***
All OCTG production	Share	***	***	***	***	***
Other production	Share	***	***	***	***	***
Total production	Share	***	***	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Exports

Table VII-5 presents the leading export markets for casing and tubing from Argentina.⁹ During 2019, the United States, Saudi Arabia, and the UAE were the top export markets for casing and tubing from Argentina, accounting for 52.2 percent, 21.5 percent, and 6.1 percent, respectively.¹⁰

⁹ HS subheadings 7304.29, 7305.20, and 7306.29 do not include coupling stock.

¹⁰ Global Trade Atlas ("GTA") data for 2020 are not yet available for several countries with sizeable imports from Argentina, including Saudi Arabia and the UAE.

Table VII-5
Casing and tubing: Exports from Argentina, by period

Quantity in short tons; value in 1,000 dollars

Destination market	Measure	2018	2019
United States	Quantity	161,851	158,306
Saudi Arabia	Quantity	119,516	65,287
UAE	Quantity	7,480	18,525
Brazil	Quantity	1,015	9,267
Romania	Quantity	10,385	8,756
Thailand	Quantity	15,534	7,917
Norway	Quantity	136	5,158
China	Quantity	1,918	4,613
Qatar	Quantity	5,325	3,692
All other destination markets	Quantity	62,166	21,596
All destination markets	Quantity	385,324	303,117
United States	Value	188,882	202,479
Saudi Arabia	Value	158,268	80,999
UAE	Value	17,880	35,335
Brazil	Value	5,105	9,783
Romania	Value	16,630	10,745
Thailand	Value	19,919	10,588
Norway	Value	521	16,218
China	Value	3,894	7,807
Qatar	Value	8,111	6,057
All other destination markets	Value	81,283	38,753
All destination markets	Value	500,493	418,764

Table continued.

Table VII-5 Continued
Casing and tubing: Exports from Argentina, by period

Unit values in dollars per short ton; shares in percent

Destination market	Measure	2018	2019
United States	Unit value	1,167	1,279
Saudi Arabia	Unit value	1,324	1,241
UAE	Unit value	2,390	1,907
Brazil	Unit value	5,029	1,056
Romania	Unit value	1,601	1,227
Thailand	Unit value	1,282	1,337
Norway	Unit value	3,846	3,144
China	Unit value	2,030	1,692
Qatar	Unit value	1,523	1,641
All other destination markets	Unit value	1,308	1,794
All destination markets	Unit value	1,299	1,382
United States	Share of quantity	42.0	52.2
Saudi Arabia	Share of quantity	31.0	21.5
UAE	Share of quantity	1.9	6.1
Brazil	Share of quantity	0.3	3.1
Romania	Share of quantity	2.7	2.9
Thailand	Share of quantity	4.0	2.6
Norway	Share of quantity	0.0	1.7
China	Share of quantity	0.5	1.5
Qatar	Share of quantity	1.4	1.2
All other destination markets	Share of quantity	16.1	7.1
All destination markets	Share of quantity	100.0	100.0

Source: Official imports statistics of imports from Argentina (constructed export statistics for Argentina) under HS subheadings 7304.29, 7305.20, and 7306.29 as reported by various statistical reporting authorities in the Global Trade Atlas database, accessed October 20, 2021.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2020 data.

Note: Direct exports for Argentina as reported by INDEC – National Institute of Statistics & Census were unavailable for both 2019 and 2020. The mirror data of imports from Argentina as reported by all other responding reporters was more accurate. However, Saudi Arabia and UAE were the 2nd and 3rd largest importers from Argentina in 2019 and their data are not yet available in the Global Trade Atlas database for 2020. Therefore, export data from Argentina are understated for 2020.

The industry in Mexico

The Commission issued foreign producers' or exporters' questionnaires to seven firms believed to produce and/or export OCTG from Mexico.¹¹ Usable responses to the Commission's questionnaire were received from one firm: TAMSA.¹² TAMSA's exports to the United States accounted for *** percent of U.S. imports of OCTG from Mexico in 2020. TAMSA estimates that it accounted for *** overall production of OCTG in Mexico in 2020. Table VII-6 presents information on the OCTG operations of the responding producer in Mexico.

Table VII-6
OCTG: Summary data for producer in Mexico, 2020

Quantity in short tons; share in percent

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
TAMSA	***	***	***	***	***	***
All firms	***	***	***	***	***	***

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

Changes in operations

Table VII-7 presents the Mexican producer's reported operational and organizational changes since January 1, 2018.

Table VII-7
OCTG: Reported changes in operations by producers in Mexico, since January 1, 2018

Item	Firm name and accompanying narrative response
Prolonged curtailments	***

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

¹¹ These firms were identified through a review of information submitted in the petition and presented in third-party sources. All firms are API 5CT certified. Two firms, ***, certified that they did not produce or export OCTG at any time since January 1, 2018.

¹² TAMSA is part of the Tenaris group of companies and is affiliated with U.S. producer Tenaris USA, U.S. importer Tenaris Global, and Argentinian producer Siderca.

Operations on OCTG

Table VII-8 presents information on the OCTG operations of the responding producer in Mexico. Capacity for OCTG decreased slightly during 2018-20 and was slightly higher in January-June 2021 than in January-June 2020. Production decreased by *** percent during 2018-20 and was *** percent higher in January-June 2021 than in January-June 2020. Production is projected to increase in 2022 while capacity is projected to decrease. TAMSA attributed its production trends during 2018-20 to ***. TAMSA also reported that ***.¹³

Home market shipments as a share of total shipments increased during 2018-20, from *** percent to *** percent. Export shipments to the United States as a share of total shipments decreased from *** percent in 2018 to *** percent in 2020, were *** percent in interim 2021 compared to *** percent in interim 2020, and are projected to reach *** percent in 2022.

Table VII-8
OCTG: Data for producer in Mexico, by period

Quantity in short tons

Item	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021	Projected 2021	Projected 2022
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued.

¹³ TAMSA's foreign producer questionnaire response, II-2.

Table VII-8 Continued
OCTG: Data for producer in Mexico, by period

Shares and ratios in percent

Item	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021	Projected 2021	Projected 2022
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***

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

Alternative products

Table VII-9 presents the responding producer's production of other products on the same equipment and machinery used to produce OCTG. TAMSA reported production of alternative products, including ***. The large majority of TAMSA's *** capacity is dedicated to the production of OCTG. TAMSA reported that ***.¹⁴

¹⁴ TAMSA's foreign producer questionnaire response, II-4.

Table VII-9
OCTG: Mexican producer's overall capacity and production on the same equipment as subject production, by period

Quantity in short tons; shares and ratios in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Seamless capacity	Quantity	***	***	***	***	***
Welded capacity	Quantity	***	***	***	***	***
Overall capacity	Quantity	***	***	***	***	***
Seamless OCTG production	Quantity	***	***	***	***	***
Welded OCTG production	Quantity	***	***	***	***	***
All OCTG production	Quantity	***	***	***	***	***
Other production	Quantity	***	***	***	***	***
Total production	Quantity	***	***	***	***	***
Overall capacity utilization	Ratio	***	***	***	***	***
Seamless OCTG production	Share	***	***	***	***	***
Welded OCTG production	Share	***	***	***	***	***
All OCTG production	Share	***	***	***	***	***
Other production	Share	***	***	***	***	***
Total production	Share	***	***	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Exports

Table VII-10 presents the leading export markets for casing and tubing from Mexico.¹⁵ During 2019, the United States, Canada, and Kuwait were the top export markets for casing and tubing from Mexico, accounting for 47.8 percent, 11.0 percent, and 7.6 percent, respectively.¹⁶

¹⁵ HS subheadings 7304.29, 7305.20, and 7306.29 do not include coupling stock.

¹⁶ 2020 GTA data are not yet available for several countries with sizeable imports from Mexico.

Table VII-10
Casing and tubing: Exports from Mexico, by period

Quantity in short tons; value in 1,000 dollars

Destination market	Measure	2018	2019
United States	Quantity	422,506	210,858
Canada	Quantity	118,308	48,510
Kuwait	Quantity	12,825	33,663
Colombia	Quantity	21,280	18,122
India	Quantity	2,344	15,741
Qatar	Quantity	3,703	12,137
Ecuador	Quantity	11,908	11,958
United Kingdom	Quantity	15,259	10,094
Thailand	Quantity	1,283	8,619
All other destination markets	Quantity	68,394	71,663
All destination markets	Quantity	677,811	441,365
United States	Value	538,739	296,325
Canada	Value	189,125	83,573
Kuwait	Value	13,714	40,259
Colombia	Value	33,417	30,526
India	Value	3,821	25,229
Qatar	Value	5,156	20,961
Ecuador	Value	15,134	17,807
United Kingdom	Value	38,119	21,986
Thailand	Value	1,285	12,143
All other destination markets	Value	114,702	130,602
All destination markets	Value	953,210	679,411

Table continued.

Table VII-10 Continued
Casing and tubing: Exports from Mexico, by period

Unit values in dollars per short ton; Shares in percent

Destination market	Measure	2018	2019
United States	Unit value	1,275	1,405
Canada	Unit value	1,599	1,723
Kuwait	Unit value	1,069	1,196
Colombia	Unit value	1,570	1,684
India	Unit value	1,630	1,603
Qatar	Unit value	1,392	1,727
Ecuador	Unit value	1,271	1,489
United Kingdom	Unit value	2,498	2,178
Thailand	Unit value	1,001	1,409
All other destination markets	Unit value	1,677	1,822
All destination markets	Unit value	1,406	1,539
United States	Share of quantity	62.3	47.8
Canada	Share of quantity	17.5	11.0
Kuwait	Share of quantity	1.9	7.6
Colombia	Share of quantity	3.1	4.1
India	Share of quantity	0.3	3.6
Qatar	Share of quantity	0.5	2.7
Ecuador	Share of quantity	1.8	2.7
United Kingdom	Share of quantity	2.3	2.3
Thailand	Share of quantity	0.2	2.0
All other destination markets	Share of quantity	10.1	16.2
All destination markets	Share of quantity	100.0	100.0

Source: Official imports statistics of imports from Mexico (constructed export statistics for Argentina) under HS subheadings 7304.29, 7305.20, and 7306.29 as reported by various statistical reporting authorities in the Global Trade Atlas database, accessed October 20, 2021.

Note: Direct exports data from Mexico as reported by INEGI were incomplete for both 2019 and 2020 (only reported exports to the United States). The mirror data of imports from Mexico as reported by all other responding countries was more accurate. However, several countries with sizeable imports from Mexico in 2019 did not yet have data available in the Global Trade Atlas database for 2020. Therefore, exports from Mexico data are still understated for 2020.

The industry in Russia

The Commission issued foreign producers' or exporters' questionnaires to 13 firms believed to produce and/or export OCTG from Russia.¹⁷ Usable responses to the Commission's questionnaire were received from two firms: JSC Vyksa and TMK Group. These firms' exports to the United States accounted for *** U.S. imports of OCTG from Russia in 2020.¹⁸ According to estimates requested of the responding producers in Russia, the production of OCTG in Russia reported in questionnaires accounted for approximately *** percent of overall production of OCTG in Russia in 2020. Table VII-11 presents information on the OCTG operations of the responding producers in Russia.

Table VII-11
OCTG: Summary data for producers in Russia, 2020

Quantity in short tons; share in percent

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
JSC Vyksa	***	***	***	***	***	***
TMK Group	***	***	***	***	***	***
All firms	***	***	***	***	***	***

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

Changes in operations

As presented in table VII-12, producers in Russia reported several operational and organizational changes since January 1, 2018. In addition to the changes listed in table VII-12, in April 2019, JSC Vyksa began construction of a new seamless pipe mill with planned capacity of 500,000 metric tons per year with commissioning planned for some time in 2021. The total investment in the seamless pipe mill was reported to be \$871 million.¹⁹

¹⁷ These firms were identified through a review of information submitted in the petition and presented in third-party sources. All firms are API 5CT certified.

¹⁸ These firms' exports to the United States *** U.S. imports from Russia in 2020, based on official Commerce statistics. This may be due to timing differences in shipping/Customs clearance and recordkeeping.

¹⁹ AO OMK, "OMK Proceeding with Seamless Facility Construction in Nizhniy Novgorod Region," April 22, 2019, <file:///s1p-fsc-01/Home/mark.brininstool/Downloads/OMK%20Proceeding%20with%20Seamless%20Facility%20Constru>

(continued...)

Table VII-12**OCTG: Reported changes in operations by producers in Russia, since January 1, 2018**

Item	Firm name and accompanying narrative response
Expansions	***
Acquisitions	***
Consolidations	***
Revised labor agreements	***
Other	***

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

Operations on OCTG

Table VII-13 presents information on the OCTG operations of the responding producers and exporters in Russia. Capacity for OCTG increased by *** percent during 2018-20 and was *** percent lower in January-June 2021 than in January-June 2020. Production decreased by *** percent during 2018-20 and was *** percent lower in January-June 2021 than in January-June 2020. Production is projected to increase in 2022 when compared to 2020, while capacity is projected to decrease. Both firms reported that ***.²⁰

Home market shipments as a share of total shipments increased during 2018-20, from *** percent to *** percent. Export shipments to the United States as a share of total shipments decreased from *** percent in 2018 to *** percent in 2020, were *** percent in interim 2021 compared to *** percent in interim 2020, and are projected to increase to *** percent in 2022.

(...continued)

[tion%20in%20Nizhniy%20Novgorod%20Region.pdf](#). AO OMK, "Russia's OMK targets oil and gas companies with new OCTG operations," January 10, 2020, <https://omk.ru/vyksa/smi/27237/>.

²⁰ JSC Vyksa and TMK Group's foreign producer questionnaire response, II-2b.

Table VII-13
OCTG: Data for producers in Russia, by period

Quantity in short tons

Item	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021	Projected 2021	Projected 2022
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued.

Table VII-13 Continued
OCTG: Data for producers in Russia, by period

Shares and ratios in percent

Item	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021	Projected 2021	Projected 2022
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Alternative products

As shown in table VII-14, responding firms in Russia produced other products on the same equipment and machinery used to produce OCTG. Responding firms in Russia reported production of alternative products, including ***. The majority of Russian producers' capacity is dedicated to the production of OCTG. JSC Vyksa reported ***,²¹

²¹ JSC Vyksa and TMK Group's foreign producer questionnaire response, II-4.

Table VII-14**OCTG: Russian producers' overall capacity and production on the same equipment as subject production, by period**

Quantity in short tons; shares and ratios in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Seamless capacity	Quantity	***	***	***	***	***
Welded capacity	Quantity	***	***	***	***	***
Overall capacity	Quantity	***	***	***	***	***
Seamless OCTG production	Quantity	***	***	***	***	***
Welded OCTG production	Quantity	***	***	***	***	***
All OCTG production	Quantity	***	***	***	***	***
Other production	Quantity	***	***	***	***	***
Total production	Quantity	***	***	***	***	***
Overall capacity utilization	Ratio	***	***	***	***	***
Seamless OCTG production	Share	***	***	***	***	***
Welded OCTG production	Share	***	***	***	***	***
All OCTG production	Share	***	***	***	***	***
Other production	Share	***	***	***	***	***
Total production	Share	***	***	***	***	***

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

Exports

According to GTA, the leading export markets for casing and tubing from Russia are Kazakhstan, the United States, and Uzbekistan (table VII-15).²² During 2020, Kazakhstan, the United States, and Uzbekistan accounted for 24.9 percent, 21.3 percent, and 15.0 percent.

²² HS subheadings 7304.29, 7305.20, and 7306.29 do not include coupling stock.

Table VII-15
Casing and tubing: Exports from Russia, by period

Quantity in short tons; value in 1,000 dollars

Destination market	Measure	2018	2019	2020
United States	Quantity	268,792	190,364	49,444
Kazakhstan	Quantity	108,358	113,268	57,964
Uzbekistan	Quantity	49,838	30,870	34,817
Belarus	Quantity	20,082	17,952	23,997
Turkmenistan	Quantity	---	6,902	21,647
Egypt	Quantity	11,902	23,437	11,933
Iraq	Quantity	---	5,783	8,832
Azerbaijan	Quantity	21,390	19,844	6,037
Vietnam	Quantity	5,853	3,499	5,005
All other destination markets	Quantity	32,701	28,327	12,733
All destination markets	Quantity	518,914	440,245	232,409
United States	Value	212,287	153,995	31,116
Kazakhstan	Value	97,794	103,358	46,756
Uzbekistan	Value	54,687	39,307	34,750
Belarus	Value	20,493	20,143	21,510
Turkmenistan	Value	---	9,300	23,333
Egypt	Value	10,543	18,169	10,023
Iraq	Value	---	6,724	7,230
Azerbaijan	Value	23,737	21,738	6,556
Vietnam	Value	5,430	3,742	4,884
All other destination markets	Value	31,349	25,907	10,016
All destination markets	Value	456,320	402,383	196,174

Table continued.

Table VII-15 Continued
Casing and tubing: Exports from Russia, by period

Unit values in dollars per short ton; shares in percent

Destination market	Measure	2018	2019	2020
United States	Unit value	790	809	629
Kazakhstan	Unit value	903	913	807
Uzbekistan	Unit value	1,097	1,273	998
Belarus	Unit value	1,020	1,122	896
Turkmenistan	Unit value	---	1,347	1,078
Egypt	Unit value	886	775	840
Iraq	Unit value	---	1,163	819
Azerbaijan	Unit value	1,110	1,095	1,086
Vietnam	Unit value	928	1,069	976
All other destination markets	Unit value	959	915	787
All destination markets	Unit value	879	914	844
United States	Share of quantity	51.8	43.2	21.3
Kazakhstan	Share of quantity	20.9	25.7	24.9
Uzbekistan	Share of quantity	9.6	7.0	15.0
Belarus	Share of quantity	3.9	4.1	10.3
Turkmenistan	Share of quantity	---	1.6	9.3
Egypt	Share of quantity	2.3	5.3	5.1
Iraq	Share of quantity	---	1.3	3.8
Azerbaijan	Share of quantity	4.1	4.5	2.6
Vietnam	Share of quantity	1.1	0.8	2.2
All other destination markets	Share of quantity	6.3	6.4	5.5
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheadings 7304.29, 7305.20, and 7306.29 as reported by Customs Committee of Russia in the Global Trade Atlas database, accessed October 20, 2021.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2020 data.

The industry in South Korea

The Commission issued foreign producers' or exporters' questionnaires to nine firms believed to produce and/or export OCTG from South Korea.²³ Usable responses to the Commission's questionnaire were received from one firm: Hyundai Steel. Hyundai Steel's exports to the United States accounted for *** percent of U.S. imports of OCTG from South Korea in 2020.²⁴ Table VII-16 presents information on the OCTG operations of the responding producer/exporter in South Korea.

Table VII-16
OCTG: Summary data for producer in South Korea, 2020

Quantity in short tons; share in percent

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Hyundai Steel	***	***	***	***	***	***
All firms	***	***	***	***	***	***

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

Changes in operations

Hyundai Steel did not report any operational and organizational changes since January 1, 2018.

Operations on OCTG

Table VII-17 presents information on the OCTG operations of the responding producer in South Korea. Capacity for OCTG decreased slightly during 2018-20. Production decreased by *** percent during 2018-20 and was *** percent lower in January-June 2021 than in January-June 2020. Production is projected to increase in 2022 when compared to 2020, while capacity is projected to decrease.

²³ These firms were identified through a review of information submitted in the petition and resented in third-party sources. All firms are API 5CT certified.

²⁴ Hyundai Steel estimated that it accounted for *** percent of overall production of OCTG in South Korea in 2020. This estimate is likely overstated as it does not take into account production of known OCTG producers in South Korea, such as ***.

Export shipments to the United States accounted for *** shipments during the period for which data were collected.

Table VII-17
OCTG: Data for producer in South Korea, by period

Quantity in short tons

Item	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021	Projected 2021	Projected 2022
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued.

Table VII-17 Continued
OCTG: Data for producer in South Korea, by period

Shares and ratios in percent

Item	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021	Projected 2021	Projected 2022
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Alternative products

Table VII-18 presents the responding producer's production of other products on the same equipment and machinery used to produce OCTG. Hyundai Steel reported production of alternative products, including ***. The large majority of Hyundai Steel's *** capacity is dedicated to the production of other products. Regarding factors impacting its ability to switch production included market conditions, orders, and sales strategy.

Table VII-18**OCTG: South Korean producer's overall capacity and production on the same equipment as subject production, by period**

Quantity in short tons; shares and ratios in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Seamless capacity	Quantity	***	***	***	***	***
Welded capacity	Quantity	***	***	***	***	***
Overall capacity	Quantity	***	***	***	***	***
Seamless OCTG production	Quantity	***	***	***	***	***
Welded OCTG production	Quantity	***	***	***	***	***
All OCTG production	Quantity	***	***	***	***	***
Other production	Quantity	***	***	***	***	***
Total production	Quantity	***	***	***	***	***
Overall capacity utilization	Ratio	***	***	***	***	***
Seamless OCTG production	Share	***	***	***	***	***
Welded OCTG production	Share	***	***	***	***	***
All OCTG production	Share	***	***	***	***	***
Other production	Share	***	***	***	***	***
Total production	Share	***	***	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Exports

According to GTA, the leading export markets for casing and tubing from South Korea are the United States and Kuwait (table VII-19).²⁵ During 2020, the United States and Kuwait accounted for 90.4 percent and 9.4 percent, respectively.

²⁵ HS subheadings 7304.29, 7305.20, and 7306.29 do not include coupling stock.

Table VII-19
Casing and tubing: Exports from South Korea, by period

Quantity in short tons; value in 1,000 dollars

Destination market	Measure	2018	2019	2020
United States	Quantity	381,946	380,379	325,769
Kuwait	Quantity	9,890	28,217	33,750
Colombia	Quantity	---	---	291
Oman	Quantity	414	---	75
Bangladesh	Quantity	---	---	69
India	Quantity	---	0	61
Singapore	Quantity	971	129	55
Vietnam	Quantity	165	159	50
Thailand	Quantity	17	7	23
All other destination markets	Quantity	6,594	1,100	40
All destination markets	Quantity	399,997	409,991	360,184
United States	Value	347,644	312,601	215,565
Kuwait	Value	8,491	25,004	26,415
Colombia	Value	---	---	283
Oman	Value	422	---	908
Bangladesh	Value	---	---	3,691
India	Value	---	6	256
Singapore	Value	793	140	126
Vietnam	Value	630	132	308
Thailand	Value	20	13	315
All other destination markets	Value	21,075	1,824	939
All destination markets	Value	379,074	339,720	248,804

Table continued.

Table VII-19 Continued
Casing and tubing: Exports from South Korea, by period

Unit values in dollars per short ton; shares in percent

Destination market	Measure	2018	2019	2020
United States	Unit value	910	822	662
Kuwait	Unit value	859	886	783
Colombia	Unit value	---	---	973
Oman	Unit value	1,018	---	12,138
Bangladesh	Unit value	---	---	53,456
India	Unit value	---	47,020	4,173
Singapore	Unit value	816	1,087	2,285
Vietnam	Unit value	3,817	830	6,213
Thailand	Unit value	1,201	2,011	13,676
All other destination markets	Unit value	3,196	1,658	23,261
All destination markets	Unit value	948	829	691
United States	Share of quantity	95.5	92.8	90.4
Kuwait	Share of quantity	2.5	6.9	9.4
Colombia	Share of quantity	---	---	0.1
Oman	Share of quantity	0.1	---	0.0
Bangladesh	Share of quantity	---	---	0.0
India	Share of quantity	---	0.0	0.0
Singapore	Share of quantity	0.2	0.0	0.0
Vietnam	Share of quantity	0.0	0.0	0.0
Thailand	Share of quantity	0.0	0.0	0.0
All other destination markets	Share of quantity	1.6	0.3	0.0
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheadings 7304.29, 7305.20, and 7306.29 as reported by Korea Trade Statistics Promotion Institute (KTSPI) in the Global Trade Atlas database, accessed October 20, 2021.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2020 data.

Subject countries combined

Tables VII-20 and VII-21 present summary data on OCTG operations of the reporting subject producers in the subject countries.

Table VII-20
OCTG: Data on the industry in subject countries, by period

Quantity in short tons

Item	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021	Projected 2021	Projected 2022
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued.

Table VII-20 Continued
OCTG: Data on the industry in subject countries, by period

Shares and ratios in percent

Item	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021	Projected 2021	Projected 2022
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***

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

Table VII-21**OCTG: Overall capacity and production on the same equipment as in-scope production by producers in aggregated subject countries, by period**

Quantity in short tons; Shares and ratios in percent

Item	Measure	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Seamless capacity	Quantity	***	***	***	***	***
Welded capacity	Quantity	***	***	***	***	***
Overall capacity	Quantity	***	***	***	***	***
Seamless OCTG production	Quantity	***	***	***	***	***
Welded OCTG production	Quantity	***	***	***	***	***
All OCTG production	Quantity	***	***	***	***	***
Other production	Quantity	***	***	***	***	***
Total production	Quantity	***	***	***	***	***
Overall capacity utilization	Ratio	***	***	***	***	***
Seamless OCTG production	Share	***	***	***	***	***
Welded OCTG production	Share	***	***	***	***	***
All OCTG production	Share	***	***	***	***	***
Other production	Share	***	***	***	***	***
Total production	Share	***	***	***	***	***

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

U.S. inventories of imported merchandise

Table VII-22 presents data on U.S. importers' reported inventories of OCTG. Inventories of subject imports decreased by *** percent between 2018 and 2020 and were *** percent lower in interim 2021 than in interim 2020. The ratio of subject importers' inventories to imports increased from *** percent in 2018 to *** percent in 2020 and was lower in interim 2021 (*** percent) than in interim 2020 (*** percent).

Table VII-22
OCTG: U.S. importers' inventories, by period

Quantity in short tons; ratios in percent

Measure	Source	2018	2019	2020	Jan-Jun 2020	Jan-Jun 2021
Inventories quantity	Argentina	***	***	***	***	***
Ratio to imports	Argentina	***	***	***	***	***
Ratio to U.S. shipments of imports	Argentina	***	***	***	***	***
Ratio to total shipments of imports	Argentina	***	***	***	***	***
Inventories quantity	Mexico	***	***	***	***	***
Ratio to imports	Mexico	***	***	***	***	***
Ratio to U.S. shipments of imports	Mexico	***	***	***	***	***
Ratio to total shipments of imports	Mexico	***	***	***	***	***
Inventories quantity	Russia	***	***	***	***	***
Ratio to imports	Russia	***	***	***	***	***
Ratio to U.S. shipments of imports	Russia	***	***	***	***	***
Ratio to total shipments of imports	Russia	***	***	***	***	***
Inventories quantity	South Korea	***	***	***	***	***
Ratio to imports	South Korea	***	***	***	***	***
Ratio to U.S. shipments of imports	South Korea	***	***	***	***	***
Ratio to total shipments of imports	South Korea	***	***	***	***	***
Inventories quantity	Subject	***	***	***	***	***
Ratio to imports	Subject	***	***	***	***	***
Ratio to U.S. shipments of imports	Subject	***	***	***	***	***
Ratio to total shipments of imports	Subject	***	***	***	***	***
Inventories quantity	Nonsubject	***	***	***	***	***
Ratio to imports	Nonsubject	***	***	***	***	***
Ratio to U.S. shipments of imports	Nonsubject	***	***	***	***	***
Ratio to total shipments of imports	Nonsubject	***	***	***	***	***
Inventories quantity	All	***	***	***	***	***
Ratio to imports	All	***	***	***	***	***
Ratio to U.S. shipments of imports	All	***	***	***	***	***
Ratio to total shipments of imports	All	***	***	***	***	***

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

U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of OCTG after June 30, 2021 (table VII-23). Fifteen of 26 responding firms indicated that they had arranged such imports. Eight firms reported arranged imports from subject sources, while 10 firms reported arranged imports from nonsubject sources.

Table VII-23
OCTG: Quantity of U.S. importers' arranged imports, by period

Quantity in short tons

Source	Jul-Sep 2021	Oct-Dec 2021	Jan-Mar 2022	Apr-Jun 2022	Total
Argentina	***	***	***	***	***
Mexico	***	***	***	***	***
Russia	***	***	***	***	***
South Korea	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

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

Third-country trade actions

Canada

In Canada, OCTG originating in or exported from South Korea is subject to antidumping duties and OCTG originating in or exported from Mexico is subject to provisional antidumping duties. On December 14, 2015, The Canadian Border Services Agency (CBSA) concluded a re-investigation of antidumping orders for certain OCTG originating in or exported from South Korea (as well as India, Indonesia, Taiwan, the Philippines, Thailand, Turkey, Ukraine, and Vietnam). CBSA announced that it would continue the antidumping orders at a rate of 37.4 percent for exporters from all subject countries, with the exception of certain companies that were instead subject to individually determined duties.²⁶ On May 25, 2020, the CBSA concluded a re-investigation of those anti-dumping duties and announced that it would continue the antidumping orders at the rate of 37.4 percent for exporters from all subject countries, with the exception of certain companies that will instead be subject to individually determined duties.²⁷

On September 28, 2021, CBSA made a preliminary determination of dumping of OCTG originating in or exported from Mexico and imposed provisional antidumping duties on the subject products. The provisional antidumping duties were determined to be 51.1 percent for Tubos de Acero de Mexico S.A. and 128.4 percent for all other Mexican exporters. CBSA also

²⁶ Canada Border Services Agency, "Notice of Conclusion of Re-investigation," December 14, 2015," <https://www.cbsa-asfc.gc.ca/sima-lmsi/ri-re/ad1371-1385-1390-1404/ad1371-1385-1390-1404-ri15-nc-eng.html>. The following South Korean companies were subject to duties determined based on specific normal values: Daewoo International Corp., Hyundai Hysco, NEXTEEL Co. Ltd., and SeAH Steel Corp.

²⁷ Canada Border Services Agency, "Notice of Conclusion of Re-investigation," May 25, 2020, <https://www.cbsa-asfc.gc.ca/sima-lmsi/ri-re/os2019/os2019-nc-eng.html>. In this re-investigation, SeAH Steel Corp. was the only South Korean companies subject to duties determined based on specific normal values.

stated that it would continue its investigation into OCTG originating in or exported from Mexico and make a final decision by December 24, 2021.²⁸

European Union

On July 18, 2018, the EU imposed provisional safeguard measures on imports of certain steel products, including OCTG.²⁹ On February 1, 2019, the EU imposed definitive safeguard measures on imports of certain steel products and later extended those safeguard measures for three years beginning on July 1, 2021.³⁰ The EU safeguard measures are in the form of tariff-rate quotas, and imports of certain steel products exceeding the quotas are subject to an additional duty of 25 percent. The EU safeguard measures divide steel products into 28 product categories, of which 3 categories contain OCTG: Other Seamless Tubes, Large Welded Tubes, and Other Welded Pipes. These 3 categories also contain steel products that are not OCTG.

Russia and South Korea are subject to EU safeguard measures for all three categories of steel products that contain OCTG. Argentina is not subject to the EU safeguard measures on certain steel products because it is included in a list of developing country members of the World Trade Organization (“WTO”) which are excluded from the safeguard measures. Mexico is also included in the list of developing country members of the WTO, but because imports into the EU of Other Seamless Tubes from Mexico exceed 3 percent of total imports into the EU of that product, it is subject to tariff-rate quotas for Other Seamless Tubes. Mexico is exempt from safeguard measures on Large Welded Tubes and Other Welded Pipes.³¹

Imports into the EU of Other Seamless Tubes from Mexico, Russia, South Korea, and all other countries subject to the safeguard measures other than Belarus, China, Japan, Ukraine, and the United States were subject to shared tariff-rate quotas of 55,345.57 metric tons from February 2, 2019 to June 30, 2019, 142,356.97 metric tons from July 1, 2019 to June 30, 2020,

²⁸ Canada Border Services Agency, “Statement of Reasons—preliminary determination,” October 13, 2021, <https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/octg32021/octg32021-pd-eng.pdf>.

²⁹ European Commission, “Commission implementing regulation (EU) 2018/1013 of 17 July 2018 imposing provisional safeguard measures with regard to imports of certain steel products,” July 18, 2018, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R1013&from=EN>.

³⁰ European Commission, “Commission implementing regulation (EU) 2019/159 of 31 January 2019 imposing definitive safeguard measures with regard to imports of certain steel products,” February 1, 2019, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0159&from=EN>. European Commission, “EU prolongs steel safeguard for three years,” June 25, 2021, <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2280>.

³¹ European Commission, “Commission implementing regulation (EU) 2019/159 of 31 January 2019 imposing definitive safeguard measures with regard to imports of certain steel products,” pp. 28, 36, February 1, 2019, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0159&from=EN>.

and 149,474.82 metric tons from July 1, 2020 to June 30, 2021.³² After July 1, 2021, the tariff rate quotas on certain steel products increase by 3 percent annually.³³

Imports into the EU of Large Welded Tubes from Russia were subject to country-specific tariff-rate quotas of 140,602.32 metric tons from February 2, 2019 to June 30, 2019, 361,649.91 metric tons from July 1, 2019 to June 30, 2020, and 379,732.41 metric tons from July 1, 2020 to June 30, 2021. Imports into the EU of Large Welded Tubes from South Korea and all other countries subject to the safeguard measures other than China, Russia, and Turkey were subject to shared tariff-rate quotas of 34,011.86 metric tons from February 2, 2019 to June 30, 2019, 87,483.52 metric tons from July 1, 2019 to June 30, 2020, and 91,857.70 metric tons from July 1, 2020 to June 30, 2021.³⁴ After July 1, 2021, the tariff rate quotas on certain steel products increase by 3 percent annually.³⁵

Imports into the EU of Other Welded Pipes from Russia, South Korea, and all other countries subject to the safeguard measures other than China, India, Switzerland, Taiwan, Turkey, and the United Arab Emirates were subject to shared tariff-rate quotas of 36,898.57 metric tons from February 2, 2019 to June 30, 2019, 94,908.57 metric tons from July 1, 2019 to June 30, 2020, and 99,653.99 metric tons from July 1, 2020 to June 30, 2021.³⁶ After July 1, 2021, the tariff rate quotas on certain steel products increase by 3 percent annually.³⁷

³² Belarus, China, Japan, Ukraine, and the United States were subject to country-specific tariff-rate quotas for Other Seamless Tubes. European Commission, “Commission implementing regulation (EU) 2019/159 of 31 January 2019 imposing definitive safeguard measures with regard to imports of certain steel products,” p. 44, February 1, 2019, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0159&from=EN>.

³³ European Commission, “EU prolongs steel safeguard for three years,” June 25, 2021, <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2280>.

³⁴ China, Russia, and Turkey were subject to country-specific tariff-rate quotas for Large Welded Tubes. European Commission, “Commission implementing regulation (EU) 2019/159 of 31 January 2019 imposing definitive safeguard measures with regard to imports of certain steel products,” p. 44, February 1, 2019, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0159&from=EN>.

³⁵ European Commission, “EU prolongs steel safeguard for three years,” June 25, 2021, <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2280>.

³⁶ China, India, Switzerland, Taiwan, Turkey, and the United Arab Emirates were subject to country-specific tariff-rate quotas for Other Welded Pipes. European Commission, “Commission implementing regulation (EU) 2019/159 of 31 January 2019 imposing definitive safeguard measures with regard to imports of certain steel products,” p. 45, February 1, 2019, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0159&from=EN>.

³⁷ European Commission, “EU prolongs steel safeguard for three years,” June 25, 2021, <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2280>.

Information on nonsubject countries

Austria

In 2020, the United States and Canada were the top destination markets for casing and tubing from Austria, accounting for 46.1 percent and 22.0 percent, respectively, of Austria's casing and tubing exports under HS subheadings 7304.29, 7305.20, and 7306.29, by quantity (table VII-24).³⁸ According to GTA, Austria was the seventh largest global exporter of casing and tubing, by quantity, in 2020 (table VII-29).

Table VII-24
Casing and tubing: Exports from Austria, by period

Quantity in short tons; value in 1,000 dollars

Destination market	Measure	2018	2019	2020
United States	Quantity	178,767	100,702	62,599
Canada	Quantity	63,433	48,384	29,956
Egypt	Quantity	16,590	11,395	7,934
Saudi Arabia	Quantity	4,772	2,604	5,784
Russia	Quantity	21,151	28,926	5,398
Ukraine	Quantity	6,765	9,709	4,402
Libya	Quantity	---	1,342	4,124
Poland	Quantity	1,928	827	3,134
Kuwait	Quantity	---	1,327	2,592
All other destination markets	Quantity	34,396	41,759	9,993
All destination markets	Quantity	327,803	246,976	135,915
United States	Value	217,658	112,779	58,726
Canada	Value	77,078	63,556	36,736
Egypt	Value	24,099	16,960	10,342
Saudi Arabia	Value	6,876	3,797	7,855
Russia	Value	24,782	33,744	6,437
Ukraine	Value	9,661	13,744	6,431
Libya	Value	---	1,778	5,289
Poland	Value	2,255	989	4,231
Kuwait	Value	---	1,719	3,154
All other destination markets	Value	49,901	63,513	15,237
All destination markets	Value	412,311	312,580	154,437

Table continued.

³⁸ HS subheadings 7304.29, 7305.20, and 7306.29 do not include coupling stock.

Table VII-24 Continued
Casing and tubing: Exports from Austria, by period

Unit values in dollars per short ton; shares in percent

Destination market	Measure	2018	2019	2020
United States	Unit value	1,218	1,120	938
Canada	Unit value	1,215	1,314	1,226
Egypt	Unit value	1,453	1,488	1,304
Saudi Arabia	Unit value	1,441	1,458	1,358
Russia	Unit value	1,172	1,167	1,193
Ukraine	Unit value	1,428	1,416	1,461
Libya	Unit value	---	1,324	1,283
Poland	Unit value	1,170	1,195	1,350
Kuwait	Unit value	---	1,295	1,217
All other destination markets	Unit value	1,451	1,521	1,525
All destination markets	Unit value	1,258	1,266	1,136
United States	Share of quantity	54.5	40.8	46.1
Canada	Share of quantity	19.4	19.6	22.0
Egypt	Share of quantity	5.1	4.6	5.8
Saudi Arabia	Share of quantity	1.5	1.1	4.3
Russia	Share of quantity	6.5	11.7	4.0
Ukraine	Share of quantity	2.1	3.9	3.2
Libya	Share of quantity	---	0.5	3.0
Poland	Share of quantity	0.6	0.3	2.3
Kuwait	Share of quantity	---	0.5	1.9
All other destination markets	Share of quantity	10.5	16.9	7.4
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheadings 7304.29, 7305.20, and 7306.29 as reported by Eurostat in the Global Trade Atlas database, accessed October 20, 2021.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2020 data.

Canada

In 2020, the United States was the top destination market for casing and tubing from Canada, accounting for 90.5 percent of Canada's casing and tubing exports under HS subheadings 7304.29, 7305.20, and 7306.29, by quantity (table VII-25).³⁹ According to GTA, Canada was the fourteenth largest global exporter of casing and tubing, by quantity, in 2020.⁴⁰

³⁹ HS subheadings 7304.29, 7305.20, and 7306.29 do not include coupling stock.

⁴⁰ Global Trade Atlas database, accessed October 20, 2021.

Table VII-25
Casing and tubing: Exports from Canada, by period

Quantity in short tons; value in 1,000 dollars

Destination market	Measure	2018	2019	2020
United States	Quantity	181,153	85,963	57,255
Norway	Quantity	0.1	---	4,692
Australia	Quantity	673	803	693
France	Quantity	180	274	192
Indonesia	Quantity	---	3	126
China	Quantity	560	2	63
Germany	Quantity	---	---	46
Netherlands	Quantity	---	77	45
India	Quantity	10	155	37
All other destination markets	Quantity	473	700	83
All destination markets	Quantity	183,051	87,978	63,231
United States	Value	229,192	109,478	63,459
Norway	Value	1	---	13,971
Australia	Value	3,567	5,242	5,933
France	Value	632	988	692
Indonesia	Value	---	6	280
China	Value	882	20	1,102
Germany	Value	---	---	97
Netherlands	Value	---	530	97
India	Value	24	647	602
All other destination markets	Value	2,432	3,983	968
All destination markets	Value	236,731	120,894	87,203

Table continued.

Table VII-25 Continued
Casing and tubing: Exports from Canada, by period

Unit values in dollars per short ton; shares in percent

Destination market	Measure	2018	2019	2020
United States	Unit value	1,265	1,274	1,108
Norway	Unit value	9,652	---	2,977
Australia	Unit value	5,297	6,530	8,565
France	Unit value	3,503	3,599	3,598
Indonesia	Unit value	---	2,043	2,233
China	Unit value	1,573	9,116	17,413
Germany	Unit value	---	---	2,110
Netherlands	Unit value	---	6,918	2,186
India	Unit value	2,361	4,172	16,130
All other destination markets	Unit value	5,145	5,686	11,723
All destination markets	Unit value	1,293	1,374	1,379
United States	Share of quantity	99.0	97.7	90.5
Norway	Share of quantity	0.0	---	7.4
Australia	Share of quantity	0.4	0.9	1.1
France	Share of quantity	0.1	0.3	0.3
Indonesia	Share of quantity	---	0.0	0.2
China	Share of quantity	0.3	0.0	0.1
Germany	Share of quantity	---	---	0.1
Netherlands	Share of quantity	---	0.1	0.1
India	Share of quantity	0.0	0.2	0.1
All other destination markets	Share of quantity	0.3	0.8	0.1
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheadings 7304.29, 7305.20, and 7306.29 as reported by Statistics Canada in the Global Trade Atlas database, accessed October 20, 2021.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2020 data.

China

In 2020, Kuwait and Oman were the top destination markets for casing and tubing from China, accounting for 18.6 percent and 13.5 percent, respectively, of China's casing and tubing exports under HS subheadings 7304.29, 7305.20, and 7306.29, by quantity (table VII-26).⁴¹ According to GTA, China was the largest global exporter of casing and tubing, by quantity, in 2020 (table VII-29).

⁴¹ HS subheadings 7304.29, 7305.20, and 7306.29 do not include coupling stock.

Table VII-26
Casing and tubing: Exports from China, by period

Quantity in short tons; value in 1,000 dollars

Destination market	Measure	2018	2019	2020
United States	Quantity	9,012	9,139	4,297
Kuwait	Quantity	106,075	202,070	168,917
Oman	Quantity	147,594	223,720	122,326
Australia	Quantity	109,065	61,530	62,082
Thailand	Quantity	83,447	45,195	51,281
Egypt	Quantity	113,780	84,134	48,043
Turkmenistan	Quantity	2,662	22,810	38,631
Turkey	Quantity	31,684	50,001	35,519
Indonesia	Quantity	32,842	57,726	33,143
All other destination markets	Quantity	746,394	686,332	343,412
All destination markets	Quantity	1,382,554	1,442,657	907,652
United States	Value	18,569	19,185	7,241
Kuwait	Value	91,915	185,872	151,161
Oman	Value	130,768	203,830	95,270
Australia	Value	95,000	56,817	47,053
Thailand	Value	79,439	48,256	51,482
Egypt	Value	90,080	70,809	34,341
Turkmenistan	Value	3,029	25,654	33,540
Turkey	Value	30,043	50,705	28,480
Indonesia	Value	27,652	46,150	26,160
All other destination markets	Value	826,867	807,483	396,673
All destination markets	Value	1,393,362	1,514,760	871,400

Table continued.

Table VII-26 Continued
Casing and tubing: Exports from China, by period

Unit values in dollars per short ton; shares in percent

Destination market	Measure	2018	2019	2020
United States	Unit value	2,060	2,099	1,685
Kuwait	Unit value	867	920	895
Oman	Unit value	886	911	779
Australia	Unit value	871	923	758
Thailand	Unit value	952	1,068	1,004
Egypt	Unit value	792	842	715
Turkmenistan	Unit value	1,138	1,125	868
Turkey	Unit value	948	1,014	802
Indonesia	Unit value	842	799	789
All other destination markets	Unit value	1,108	1,177	1,155
All destination markets	Unit value	1,008	1,050	960
United States	Share of quantity	0.7	0.6	0.5
Kuwait	Share of quantity	7.7	14.0	18.6
Oman	Share of quantity	10.7	15.5	13.5
Australia	Share of quantity	7.9	4.3	6.8
Thailand	Share of quantity	6.0	3.1	5.6
Egypt	Share of quantity	8.2	5.8	5.3
Turkmenistan	Share of quantity	0.2	1.6	4.3
Turkey	Share of quantity	2.3	3.5	3.9
Indonesia	Share of quantity	2.4	4.0	3.7
All other destination markets	Share of quantity	54.0	47.6	37.8
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheadings 7304.29, 7305.20, and 7306.29 as reported by China Customs in the Global Trade Atlas database, accessed October 20, 2021.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2020 data.

Japan

In 2020, Kuwait and Norway were the top destination markets for casing and tubing from Japan, accounting for 27.2 percent and 21.5 percent, respectively, of Japan's casing and tubing exports under HS subheadings 7304.29, 7305.20, and 7306.29, by quantity (table VII-27).⁴² According to GTA, Japan was the third largest global exporter of casing and tubing, by quantity, in 2020 (table VII-29).

⁴² HS subheadings 7304.29, 7305.20, and 7306.29 do not include coupling stock.

Table VII-27
Casing and tubing: Exports from Japan, by period

Quantity in short tons; value in 1,000 dollars

Destination market	Measure	2018	2019	2020
United States	Quantity	91,558	41,380	14,372
Kuwait	Quantity	76,769	76,513	87,343
Norway	Quantity	48,368	69,873	69,031
Iraq	Quantity	7,783	53,105	32,439
Oman	Quantity	47,198	35,624	21,650
Malaysia	Quantity	7,700	24,063	13,434
United Kingdom	Quantity	14,069	15,898	11,219
Azerbaijan	Quantity	11,563	8,039	10,567
UAE	Quantity	51,219	49,202	10,437
All other destination markets	Quantity	144,973	110,142	50,553
All destination markets	Quantity	501,202	483,839	321,044
United States	Value	132,151	58,197	20,250
Kuwait	Value	83,025	96,703	105,394
Norway	Value	68,894	103,152	105,325
Iraq	Value	9,074	75,866	46,895
Oman	Value	61,004	59,538	36,079
Malaysia	Value	9,116	27,980	20,736
United Kingdom	Value	21,593	25,662	21,501
Azerbaijan	Value	22,327	15,267	20,255
UAE	Value	68,089	70,864	19,931
All other destination markets	Value	163,870	132,481	73,139
All destination markets	Value	639,144	665,710	469,505

Table continued.

Table VII-27 Continued
Casing and tubing: Exports from Japan, by period

Unit values in dollars per short ton; shares in percent

Destination market	Measure	2018	2019	2020
United States	Unit value	1,443	1,406	1,409
Kuwait	Unit value	1,081	1,264	1,207
Norway	Unit value	1,424	1,476	1,526
Iraq	Unit value	1,166	1,429	1,446
Oman	Unit value	1,293	1,671	1,666
Malaysia	Unit value	1,184	1,163	1,544
United Kingdom	Unit value	1,535	1,614	1,917
Azerbaijan	Unit value	1,931	1,899	1,917
UAE	Unit value	1,329	1,440	1,910
All other destination markets	Unit value	1,130	1,203	1,447
All destination markets	Unit value	1,275	1,376	1,462
United States	Share of quantity	18.3	8.6	4.5
Kuwait	Share of quantity	15.3	15.8	27.2
Norway	Share of quantity	9.7	14.4	21.5
Iraq	Share of quantity	1.6	11.0	10.1
Oman	Share of quantity	9.4	7.4	6.7
Malaysia	Share of quantity	1.5	5.0	4.2
United Kingdom	Share of quantity	2.8	3.3	3.5
Azerbaijan	Share of quantity	2.3	1.7	3.3
UAE	Share of quantity	10.2	10.2	3.3
All other destination markets	Share of quantity	28.9	22.8	15.7
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheadings 7304.29, 7305.20, and 7306.29 as reported by Japan Ministry of Finance in the Global Trade Atlas database, accessed October 20, 2021.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2020 data.

Taiwan

In 2020, the United States was the top destination market for casing and tubing from Taiwan, accounting for 98.0 percent of Taiwan's casing and tubing exports under HS subheadings 7304.29, 7305.20, and 7306.29, by quantity (table VII-28).⁴³ According to GTA, Taiwan was the twelfth largest global exporter of casing and tubing, by quantity, in 2020.⁴⁴

⁴³ HS subheadings 7304.29, 7305.20, and 7306.29 do not include coupling stock.

⁴⁴ Global Trade Atlas database, accessed October 20, 2021.

Table VII-28
Casing and tubing: Exports from Taiwan, by period

Quantity in short tons; value in 1,000 dollars

Destination market	Measure	2018	2019	2020
United States	Quantity	224,771	200,295	84,679
Canada	Quantity	8,422	5,573	1,242
Vietnam	Quantity	---	---	331
All other destination markets	Quantity	120	106	138
All destination markets	Quantity	233,313	205,974	86,390
United States	Value	165,546	144,749	43,576
Canada	Value	5,849	3,952	913
Vietnam	Value	---	1	100
All other destination markets	Value	129	133	96

Table continued.

Table VII-28 Continued
Casing and tubing: Exports from Taiwan, by period

Unit values in dollars per short ton; shares in percent

Destination market	Measure	2018	2019	2020
United States	Unit value	737	723	515
Canada	Unit value	694	709	735
Vietnam	Unit value	---	---	303
All other destination markets	Unit value	1,070	1,258	695
All destination markets	Unit value	735	723	517
United States	Share of quantity	96.3	97.2	98.0
Canada	Share of quantity	3.6	2.7	1.4
Vietnam	Share of quantity	---	---	0.4
All other destination markets	Share of quantity	0.1	0.1	0.2
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheadings 7304.29, 7305.20, and 7306.29 as reported by Taiwan Directorate General of Customs in the Global Trade Atlas database, accessed October 20, 2021.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2020 data.

Global exports

Table VII-29 presents the largest global export sources of casing and tubing. China and South Korea were the largest exporters in 2020 and accounted for 25.1 percent and 10.0 percent of total global exports by quantity, respectively. Mexico and Russia were other subject countries among the top ten exporters of casing and tubing in 2020. Mexico was the fourth largest exporter, representing 8.8 percent of total global exports in 2020, and Russia was the sixth largest exporter, representing 6.4 percent of total global exports in 2020. Argentina was

the thirteenth largest exporter of casing and tubing in 2020 and accounted for 1.9 percent of total global exports.

Table VII-29
Casing and tubing: Global exports by exporter and period

Quantity in short tons; value in 1,000 dollars

Exporting country	Measure	2018	2019	2020
United States	Quantity	271,797	204,171	134,209
Argentina	Quantity	385,324	303,117	67,579
Mexico	Quantity	677,811	441,365	318,051
Russia	Quantity	518,914	440,245	232,409
South Korea	Quantity	399,997	409,991	360,184
Subject sources	Quantity	1,982,046	1,594,718	978,223
China	Quantity	1,382,554	1,442,657	907,652
Japan	Quantity	501,202	483,839	321,044
Brazil	Quantity	294,995	457,760	248,665
Austria	Quantity	327,803	246,976	135,915
Italy	Quantity	173,021	153,427	122,273
Indonesia	Quantity	86,871	63,204	104,448
Singapore	Quantity	91,070	123,230	88,307
All other exporters	Quantity	1,398,545	1,268,468	571,926
All reporting exporters	Quantity	6,509,904	6,038,450	3,612,663
United States	Value	463,553	370,845	255,012
Argentina	Value	500,493	418,764	100,559
Mexico	Value	953,210	679,411	449,424
Russia	Value	456,320	402,383	196,174
South Korea	Value	379,074	339,720	248,804
Subject sources	Value	2,289,096	1,840,278	994,963
China	Value	1,393,362	1,514,760	871,400
Japan	Value	639,144	665,710	469,505
Brazil	Value	333,865	524,396	301,078
Austria	Value	412,311	312,580	154,437
Italy	Value	248,711	245,530	216,798
Indonesia	Value	199,555	78,311	140,709
Singapore	Value	173,331	244,361	209,776
All other exporters	Value	1,861,813	1,729,536	809,722
All reporting exporters	Value	8,014,740	7,526,306	4,423,400

Table continued.

Table VII-29 Continued
Casing and tubing: Global exports by exporter and period

Unit values in dollars per short ton; shares in percent

Exporting country	Measure	2018	2019	2020
United States	Unit value	1,706	1,816	1,900
Argentina	Unit value	1,299	1,382	1,488
Mexico	Unit value	1,406	1,539	1,413
Russia	Unit value	879	914	844
South Korea	Unit value	948	829	691
Subject sources	Unit value	1,155	1,154	1,017
China	Unit value	1,008	1,050	960
Japan	Unit value	1,275	1,376	1,462
Brazil	Unit value	1,132	1,146	1,211
Austria	Unit value	1,258	1,266	1,136
Italy	Unit value	1,437	1,600	1,773
Indonesia	Unit value	2,297	1,239	1,347
Singapore	Unit value	1,903	1,983	2,376
All other exporters	Unit value	1,331	1,363	1,416
All reporting exporters	Unit value	1,231	1,246	1,224
United States	Share of quantity	4.2	3.4	3.7
Argentina	Share of quantity	5.9	5.0	1.9
Mexico	Share of quantity	10.4	7.3	8.8
Russia	Share of quantity	8.0	7.3	6.4
South Korea	Share of quantity	6.1	6.8	10.0
Subject sources	Share of quantity	30.4	26.4	27.1
China	Share of quantity	21.2	23.9	25.1
Japan	Share of quantity	7.7	8.0	8.9
Brazil	Share of quantity	4.5	7.6	6.9
Austria	Share of quantity	5.0	4.1	3.8
Italy	Share of quantity	2.7	2.5	3.4
Indonesia	Share of quantity	1.3	1.0	2.9
Singapore	Share of quantity	1.4	2.0	2.4
All other exporters	Share of quantity	21.5	21.0	15.8
All reporting exporters	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheadings 7304.29, 7305.20, and 7306.29 and official global imports statistics from Argentina under HS subheadings 7304.29, 7305.20, and 7306.29 as reported by various national statistical authorities in the Global Trade Atlas database, accessed October 20, 2021.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top followed by the countries under investigation, all remaining top exporting countries in descending order of 2020 data.

Consumption

Data on global OCTG consumption are generally not available. However, because OCTG is used in oil and gas wells, the demand for OCTG is related to the number of oil and gas rigs in use. Total worldwide annual average rig counts decreased by 39 percent, from 2,211 in 2018 to 1,352 in 2020 (table VII-30). In addition, total worldwide average rig counts decreased by 10 percent, from 1,447 in the first three quarters of 2020 to 1,302 in the first three quarters of 2021. The reduced rig count in 2020 occurred as oil prices declined and as global economic activity slowed down as a result of measures taken to slow the spread of the coronavirus.⁴⁵ However, in 2021 total monthly worldwide average rig counts increased by 22 percent from 1,183 in January to 1,448 in September as oil and gas prices rose.⁴⁶ Global footage of onshore well drilling *** from *** feet in 2018 to *** feet in 2020. Global footage of onshore well drilling was projected to increase to *** feet in 2021 (Table IV-31).

⁴⁵ Reuters, "U.S. oil rig count drops to lowest since December 2016: Baker Hughes," April 9, 2020, <https://www.reuters.com/article/us-usa-rigs-baker-hughes/us-oil-rig-count-drops-to-lowest-since-december-2016-baker-hughes-idUSKCN21R300>.

⁴⁶ Baker Hughes, "Worldwide Rig Count," October 1, 2021, <https://rigcount.bakerhughes.com/static-files/220e6a99-3dc6-42c9-850f-fb3afecdf7d1>. Reuters, "U.S. drillers add oil and gas rigs for fifth week in a row -Baker Hughes," October 8, 2021. <https://www.reuters.com/business/energy/us-drillers-add-oil-gas-rigs-fifth-week-row-baker-hughes-2021-10-08/>.

Table VII-30
OCTG: Baker Hughes international rotary rig count, by country or region and period

Average number of rigs

Country / Region	2018	2019	2020	Jan-Sept 2020	Jan-Sept 2021
United States	1,032	944	436	478	447
Canada	191	135	90	89	121
Latin America	190	190	107	110	131
Europe	85	149	112	116	101
Africa	98	117	76	82	64
Middle East	396	414	337	369	261
Asia Pacific	219	228	193	203	178
Total	2,211	2,177	1,352	1,447	1,302

Source: Baker Hughes, "Worldwide Rig Count," October 1, 2021, <https://rigcount.bakerhughes.com/static-files/220e6a99-3dc6-42c9-850f-fb3afecdf7d1>.

Note: Oil and gas drilling activity in Canada is higher in the winter when the ground is frozen. In the spring, the movement of equipment is restricted by thawing which causes fields and roads to soften. Therefore, drilling activity often stops in the spring until the ground dries. Canadian Association of Oilwell Drilling Contractors, "Working on a Drilling Rig," accessed October 26, 2021, https://caodc.ca/drilling_rig_work.

Table VII-31
OCTG: Onshore well footage drilled, by country or region and year

Millions of feet

Country / Region	2018	2019	2020	2021
United States	***	***	***	***
Canada	***	***	***	***
Latin America	***	***	***	***
Europe	***	***	***	***
Africa	***	***	***	***
Middle East	***	***	***	***
Asia Pacific	***	***	***	***
Russia	***	***	***	***
Central Asia	***	***	***	***
China	***	***	***	***
Total	***	***	***	***

Source: ***.

Note: Data for 2021 are projected.

APPENDIX A
FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, Federal Register notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
86 FR 56983, October 13, 2021	<i>Oil Country Tubular Goods From Argentina, Mexico, Russia, and South Korea; Institution of Anti-Dumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations</i>	https://www.govinfo.gov/contnt/pkg/FR-2021-10-13/pdf/2021-22242.pdf
86 FR 60205, November 1, 2021	<i>Oil Country Tubular Goods From Argentina, Mexico, and the Russian Federation: Initiation of Less-Than-Fair-Value Investigations</i>	https://www.govinfo.gov/contnt/pkg/FR-2021-11-01/pdf/2021-23715.pdf
86 FR 60210, November 1, 2021	<i>Oil Country Tubular Goods From the Republic of Korea and the Russian Federation: Initiation of Countervailing Duty Investigations</i>	https://www.govinfo.gov/contnt/pkg/FR-2021-11-01/pdf/2021-23714.pdf

APPENDIX B

LIST OF STAFF CONFERENCE WITNESSES

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Those listed below appeared in the United States International Trade Commission's preliminary conference via videoconference:

Subject: Oil Country Tubular Goods from Argentina, Mexico, Russia, and South Korea

Inv. Nos.: 701-TA-671-672 and 731-TA-1571-1573 (Preliminary)

Date and Time: October 27, 2021 - 9:30 a.m.

FOREIGN GOVERNMENT APPEARANCE:

**The Government of Argentina
Washington, DC**

Minister Adrián Nador

OPENING REMARKS:

In Support of Imposition (**Thomas M. Beline**, Cassidy Levy Kent (USA) LLP)
In Opposition to Imposition (**Gregory J. Spak**, White & Case LLP)

In Support of the Imposition of Antidumping and Countervailing Duty Orders:

Schagrin Associates
Washington, DC
on behalf of

Borusan Mannesmann Pipe U.S., Inc.; PTC Liberty Tubulars LLC; the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC; and Welded Tube USA, Inc.:

Joel Johnson, President and Chief Executive Officer, Borusan Mannesmann Pipe U.S., Inc.

Josh Croix, Chief Commercial Officer, Borusan Mannesmann Pipe U.S., Inc.

Cary Hart, Chief Executive Officer, PTC Liberty Tubulars LLC

Vincent Fera, General Counsel, PTC Liberty Tubulars LLC

**In Support of the Imposition of
Antidumping and Countervailing Duty Orders (continued):**

Jeff Hanley, Vice President Sales - Energy Tubular Products,
Welded Tube USA

Roy Houseman, Legislative Director, United Steel, Paper and
Forestry, Rubber, Manufacturing, Energy, Allied
Industrial and Service Workers International Union,
AFL-CIO, CLC

Randall Edwards, President and Chief Executive Officer,
P2 Energy Services

Frank Sams, President, JD Rush Corporation

Steve Tait, President, B&L Pipeco Services Inc.

Roger Schagrin)
Jeffrey Gerrish)
) – OF COUNSEL
Luke Meisner)
Benjamin Bay)

Cassidy Levy Kent (USA) LLP
Washington, DC
on behalf of

United States Steel Tubular Products, Inc. (“USSTP”)

William M. Buono, Director of Marketing Analysis and Strategy, USSTP

Thomas M. Beline)
Myles S. Getlan) – OF COUNSEL
Mary Jane Alves)

**In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders:**

White & Case LLP
Washington, DC
On behalf of

Tenaris Bay City, Inc.; Maverick Tube Corporation; and
IPSCO Tubulars Inc. (“Tenaris USA”)
Tenaris Global Services (USA) Corporation (“TGS USA”)
Siderca S.A.I.C. (“Siderca”)
Tubos de Acero de Mexico, S.A. (“TAMSA”)

German Cura, Vice-Chairman, Tenaris

Jason Gernand, Industrial Relations Director, Tenaris

Adam Lange, Vice President of Drilling, Tap Rock Operating, LLC

Gregory J. Spak)
Frank J. Schweitzer) – OF COUNSEL
Kristina Zissis)

Sidley Austin LLP
Washington, DC
on behalf of

TMK Group

Rajib Pal)
Richard Weiner)
) – OF COUNSEL
Justin Becker)
Lindsey Ricchi)

REBUTTAL/CLOSING REMARKS:

In Support of Imposition (**Roger B. Schagrín**, Schagrín Associates)
In Opposition to Imposition (**Frank J. Schweitzer**, White & Case LLP)

-END-

APPENDIX C
SUMMARY DATA

All producers

Table C-1

OCTG: Summary data concerning the U.S. market, 2018-20, January to June 2020, and January to June 2021

Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Productivity=short tons per 1,000 hours; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year		2020	Jan-Jun		Comparison years			Jan-Jun 2020-21
	2018	2019		2020	2021	2018-20	2018-19	2019-20	
U.S. consumption quantity:									
Amount.....	5,696,707	5,263,571	2,650,833	1,848,311	1,419,998	▼(53.5)	▼(7.6)	▼(49.6)	▼(23.2)
Producers' share (fn1).....	52.1	56.7	60.4	60.1	50.6	▲8.3	▲4.6	▲3.7	▼(9.5)
Importers' share (fn1):									
Argentina.....	2.8	3.1	0.6	0.6	5.7	▼(2.2)	▲0.3	▼(2.5)	▲5.1
Mexico.....	7.4	4.1	6.2	5.9	9.0	▼(1.2)	▼(3.4)	▲2.2	▲3.1
Russia.....	4.6	4.1	1.9	2.4	4.1	▼(2.8)	▼(0.5)	▼(2.2)	▲1.6
South Korea.....	8.9	8.6	11.4	9.0	15.3	▲2.5	▼(0.3)	▲2.8	▲6.3
Subject sources.....	23.8	19.8	20.1	18.0	34.1	▼(3.7)	▼(3.9)	▲0.3	▲16.2
Nonsubject sources.....	24.2	23.5	19.5	22.0	15.2	▼(4.7)	▼(0.7)	▼(4.0)	▼(6.7)
All import sources.....	47.9	43.3	39.6	39.9	49.4	▼(8.3)	▼(4.6)	▼(3.7)	▲9.5
U.S. consumption value:									
Amount.....	7,882,920	7,147,170	3,118,512	2,208,098	1,781,785	▼(60.4)	▼(9.3)	▼(56.4)	▼(19.3)
Producers' share (fn1):									
Fully domestic value.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Incremental value added to imports...	***	***	***	***	***	▼***	▼***	▲***	▲***
Total value.....	59.6	63.1	66.4	66.2	59.9	▲6.8	▲3.5	▲3.3	▼(6.3)
Importers' share (fn1):									
Argentina.....	2.5	3.0	0.7	0.6	4.5	▼(1.9)	▲0.5	▼(2.4)	▲3.9
Mexico.....	7.9	4.9	7.2	7.1	8.6	▼(0.8)	▼(3.0)	▲2.2	▲1.5
Russia.....	3.6	3.2	1.3	1.7	2.4	▼(2.3)	▼(0.3)	▼(1.9)	▲0.7
South Korea.....	5.4	5.6	6.7	5.2	10.0	▲1.3	▲0.1	▲1.1	▲4.8
Subject sources.....	19.4	16.7	15.8	14.6	25.5	▼(3.6)	▼(2.7)	▼(0.9)	▲10.8
Nonsubject sources.....	21.0	20.2	17.8	19.2	14.7	▼(3.2)	▼(0.8)	▼(2.4)	▼(4.5)
All import sources.....	40.4	36.9	33.6	33.8	40.1	▼(6.8)	▼(3.5)	▼(3.3)	▲6.3
U.S. imports from:									
Argentina:									
Quantity.....	161,851	162,875	16,735	10,515	81,015	▼(89.7)	▲0.6	▼(89.7)	▲670.5
Value.....	197,616	216,803	20,331	13,553	79,842	▼(89.7)	▲9.7	▼(90.6)	▲489.1
Unit value.....	\$1,221	\$1,331	\$1,215	\$1,289	\$986	▼(0.5)	▲9.0	▼(8.7)	▼(23.5)
Ending inventory quantity.....	***	***	***	***	***	▼***	▲***	▼***	▲***
Mexico:									
Quantity.....	423,173	214,197	164,874	109,672	127,771	▼(61.0)	▼(49.4)	▼(23.0)	▲16.5
Value.....	625,650	350,487	222,982	157,807	153,229	▼(64.4)	▼(44.0)	▼(36.4)	▼(2.9)
Unit value.....	\$1,478	\$1,636	\$1,352	\$1,439	\$1,199	▼(8.5)	▲10.7	▼(17.3)	▼(16.7)
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Russia:									
Quantity.....	263,730	215,339	49,340	45,203	58,081	▼(81.3)	▼(18.3)	▼(77.1)	▲28.5
Value.....	280,683	230,773	40,376	37,078	42,669	▼(85.6)	▼(17.8)	▼(82.5)	▲15.1
Unit value.....	\$1,064	\$1,072	\$818	\$820	\$735	▼(23.1)	▲0.7	▼(23.6)	▼(10.4)
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
South Korea:									
Quantity.....	504,216	450,082	301,347	166,422	217,666	▼(40.2)	▼(10.7)	▼(33.0)	▲30.8
Value.....	428,053	398,171	209,346	115,045	178,149	▼(51.1)	▼(7.0)	▼(47.4)	▲54.9
Unit value.....	\$849	\$885	\$695	\$691	\$818	▼(18.2)	▲4.2	▼(21.5)	▲18.4
Ending inventory quantity.....	***	***	***	***	***	▼***	▲***	▼***	▼***
Subject sources:									
Quantity.....	1,352,970	1,042,492	532,296	331,812	484,533	▼(60.7)	▼(22.9)	▼(48.9)	▲46.0
Value.....	1,532,002	1,196,233	493,035	323,483	453,889	▼(67.8)	▼(21.9)	▼(58.8)	▲40.3
Unit value.....	\$1,132	\$1,147	\$926	\$975	\$937	▼(18.2)	▲1.3	▼(19.3)	▼(3.9)
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Nonsubject sources:									
Quantity.....	1,377,308	1,238,082	517,473	405,848	216,536	▼(62.4)	▼(10.1)	▼(58.2)	▼(46.6)
Value.....	1,654,526	1,442,969	555,606	423,668	261,120	▼(66.4)	▼(12.8)	▼(61.5)	▼(38.4)
Unit value.....	\$1,201	\$1,165	\$1,074	\$1,044	\$1,206	▼(10.6)	▼(3.0)	▼(7.9)	▲15.5
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
All import sources:									
Quantity.....	2,730,277	2,280,575	1,049,769	737,660	701,068	▼(61.6)	▼(16.5)	▼(54.0)	▼(5.0)
Value.....	3,186,528	2,639,202	1,048,641	747,151	715,010	▼(67.1)	▼(17.2)	▼(60.3)	▼(4.3)
Unit value.....	\$1,167	\$1,157	\$999	\$1,013	\$1,020	▼(14.4)	▼(0.8)	▼(13.7)	▲0.7
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***

Table continued.

Table C-1 continued

OCTG: Summary data concerning the U.S. market, 2018-20, January to June 2020, and January to June 2021

Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Productivity=short tons per 1,000 hours; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year		2020	Jan-Jun		Comparison years			Jan-Jun
	2018	2019		2020	2021	2018-20	2018-19	2019-20	2020-21
U.S. mills' and U.S. processors':									
Mills: Average capacity quantity.....	6,671,276	6,713,448	6,149,233	3,088,431	3,109,098	▼(7.8)	▲0.6	▼(8.4)	▲0.7
Mills: Production quantity.....	3,165,424	3,018,608	1,595,070	1,112,330	746,392	▼(49.6)	▼(4.6)	▼(47.2)	▼(32.9)
Mills: Capacity utilization (fn1).....	47.4	45.0	25.9	36.0	24.0	▼(21.5)	▼(2.5)	▼(19.0)	▼(12.0)
Processors: Average capacity quantity...	1,786,952	1,806,970	1,824,769	914,435	898,476	▲2.1	▲1.1	▲1.0	▼(1.7)
Processors: Production quantity.....	918,314	770,999	368,446	259,913	298,449	▼(59.9)	▼(16.0)	▼(52.2)	▲14.8
Processors: Capacity utilization (fn1).....	51.4	42.7	20.2	28.4	33.2	▼(31.2)	▼(8.7)	▼(22.5)	▲4.8
U.S. shipments (fn2):									
Quantity.....	2,966,430	2,982,996	1,601,064	1,110,651	718,930	▼(46.0)	▲0.6	▼(46.3)	▼(35.3)
Value:									
Fully domestic value.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Incremental value added to imports	***	***	***	***	***	▼***	▼***	▼***	▲***
Total value.....	4,696,392	4,507,968	2,069,871	1,460,947	1,066,776	▼(55.9)	▼(4.0)	▼(54.1)	▼(27.0)
Unit value.....	\$1,511	\$1,452	\$1,240	\$1,270	\$1,385	▼(17.9)	▼(3.9)	▼(14.6)	▲9.1
Export shipments:									
Quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Value.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit value.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Mills: Ending inventory quantity.....	456,161	378,641	198,206	232,346	191,415	▼(56.5)	▼(17.0)	▼(47.7)	▼(17.6)
Mills: Inv./total shipments (fn1).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Processors: Ending inventory quantity....	***	***	***	***	***	▲***	▲***	▼***	▼***
Processors: Inv./total shipments (fn1)....	***	***	***	***	***	▲***	▲***	▲***	▼***
Production workers.....	8,006	8,235	4,681	6,102	4,154	▼(41.5)	▲2.9	▼(43.2)	▼(31.9)
Hours worked (1,000s).....	20,408	19,967	10,685	7,016	5,499	▼(47.6)	▼(2.2)	▼(46.5)	▼(21.6)
Wages paid (\$1,000).....	600,802	620,365	359,123	241,711	178,967	▼(40.2)	▲3.3	▼(42.1)	▼(26.0)
Hourly wages (dollars per hour).....	\$29.44	\$31.07	\$33.61	\$34.45	\$32.55	▲14.2	▲5.5	▲8.2	▼(5.5)
Mills: Productivity.....	208.8	202.9	205.7	213.3	189.0	▼(1.5)	▼(2.8)	▲1.4	▼(11.4)
Mills: Unit labor costs.....	\$163	\$177	\$192	\$189	\$200	▲18.0	▲8.8	▲8.5	▲6.0
Non-toll processors: Productivity.....	***	***	***	***	***	▲***	▼***	▲***	▲***
Non-toll processors: Unit labor costs.....	***	***	***	***	***	▼***	▲***	▼***	▼***
Toll processors: Productivity.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Toll processors: Unit labor costs.....	***	***	***	***	***	▲***	▲***	▲***	▼***
U.S. mills' and non-toll processors':									
Net sales:									
Quantity.....	3,213,742	3,158,673	1,730,911	1,198,444	764,338	▼(46.1)	▼(1.7)	▼(45.2)	▼(36.2)
Value.....	4,754,024	4,504,072	2,095,259	1,485,454	1,050,836	▼(55.9)	▼(5.3)	▼(53.5)	▼(29.3)
Unit value.....	\$1,479	\$1,426	\$1,210	\$1,239	\$1,375	▼(18.2)	▼(3.6)	▼(15.1)	▲10.9
Cost of goods sold (COGS).....	4,450,154	4,417,139	2,560,150	1,682,032	1,148,279	▼(42.5)	▼(0.7)	▼(42.0)	▼(31.7)
Gross profit or (loss) (fn3).....	303,870	86,933	(464,891)	(196,578)	(97,443)	▼***	▼(71.4)	▼***	▲***
SG&A expenses.....	473,385	367,857	289,983	175,396	151,263	▼(38.7)	▼(22.3)	▼(21.2)	▼(13.8)
Operating income or (loss) (fn3).....	(169,515)	(280,924)	(754,874)	(371,974)	(248,706)	▼***	▼***	▼***	▲***
Net income or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit COGS.....	\$1,385	\$1,398	\$1,479	\$1,404	\$1,502	▲6.8	▲1.0	▲5.8	▲7.0
Unit SG&A expenses.....	\$147	\$116	\$168	\$146	\$198	▲13.7	▼(20.9)	▲43.9	▲35.2
Unit operating income or (loss) (fn3).....	\$(53)	\$(89)	\$(436)	\$(310)	\$(325)	▼***	▼***	▼***	▼***
Unit net income or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
COGS/sales (fn1).....	93.6	98.1	122.2	113.2	109.3	▲28.6	▲4.5	▲24.1	▼(4.0)
Operating income or (loss)/sales (fn1)....	(3.6)	(6.2)	(36.0)	(25.0)	(23.7)	▼(32.5)	▼(2.7)	▼(29.8)	▲1.4
Net income or (loss)/sales (fn1).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Capital expenditures.....	***	***	***	***	***	▼***	▲***	▼***	▼***
Research and development expenses....	***	***	***	***	***	▼***	▲***	▼***	▼***
Net assets.....	***	***	***	***	***	▲***	▲***	▼***	***

Table continued.

Table C-1 continued

OCTG: Summary data concerning the U.S. market, 2018-20, January to June 2020, and January to June 2021

Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Productivity=short tons per 1,000 hours; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year		2020	Jan-Jun		Comparison years			Jan-Jun
	2018	2019		2020	2021	2018-20	2018-19	2019-20	2020-21
U.S. toll processors':									
Net tolling:									
Quantity.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Value.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit value.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Total cost of tolling services (COTS).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Gross profit or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
G&A expenses.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Operating income or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit COTS.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit G&A expenses.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit operating income or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
COTS/sales (fn1).....	***	***	***	***	***	▲***	▲***	▲***	▼***
Operating income or (loss)/sales (fn1)....	***	***	***	***	***	▼***	▼***	▼***	▲***
Capital expenditures.....	***	***	***	***	***	▼***	▲***	▼***	▲***
Research and development expenses...	***	***	***	***	***	***	***	***	***
Net assets.....	***	***	***	***	***	▼***	▼***	▲***	***

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "--". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Quantity for U.S. producers' U.S. shipments reflects mill's U.S. shipment quantities. Value for U.S. producers' U.S. shipments reflects OCTG products sold in the United States from domestically manufactured OCTG (including the incremental value added by U.S. processors to domestic OCTG), as well as the incremental value added by U.S. processors to imported OCTG. In measuring consumption and market share this methodology avoids reclassifying and/or double counting merchandise already reported as an import. Unit values are based on the fully domestic value.

fn3.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150, accessed November 9, 2021. Imports quantities are based on the imports for consumption data series and value data reflect landed duty-paid values.

Related party exclusion: Two producers

Table C-2

OCTG: Summary data concerning the U.S. market excluding two U.S. producers *, 2018-20, January to June 2020, and January to June 2021**

Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Productivity=short tons per 1,000 hours; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year		2020	Jan-Jun		Comparison years			Jan-Jun 2020-21
	2018	2019		2020	2021	2018-20	2018-19	2019-20	
U.S. consumption quantity:									
Amount.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Producers' share (fn1):									
Included producers.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Excluded producers.....	***	***	***	***	***	▲***	▲***	▲***	▼***
All producers.....	***	***	***	***	***	***	***	***	***
Importers' share (fn1):									
Argentina.....	***	***	***	***	***	▼***	▲***	▼***	▲***
Mexico.....	***	***	***	***	***	▼***	▼***	▲***	▲***
Russia.....	***	***	***	***	***	▼***	▼***	▼***	▲***
South Korea.....	***	***	***	***	***	▲***	▼***	▲***	▲***
Subject sources.....	***	***	***	***	***	▼***	▼***	▲***	▲***
Nonsubject sources.....	***	***	***	***	***	▼***	▼***	▼***	▼***
All import sources.....	***	***	***	***	***	▼***	▼***	▼***	▲***
U.S. consumption value:									
Amount.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Producers' share (fn1):									
Included producers.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Excluded producers.....	***	***	***	***	***	▲***	▲***	▲***	▲***
All producers.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Importers' share (fn1):									
Argentina.....	***	***	***	***	***	▼***	▲***	▼***	▲***
Mexico.....	***	***	***	***	***	▼***	▼***	▲***	▲***
Russia.....	***	***	***	***	***	▼***	▼***	▲***	▲***
South Korea.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Subject sources.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Nonsubject sources.....	***	***	***	***	***	▼***	▼***	▼***	▼***
All import sources.....	***	***	***	***	***	▼***	▼***	▼***	▲***
U.S. imports from:									
Argentina:									
Quantity.....	161,851	162,875	16,735	10,515	81,015	▼(89.7)	▲0.6	▼(89.7)	▲670.5
Value.....	197,616	216,803	20,331	13,553	79,842	▼(89.7)	▲9.7	▼(90.6)	▲489.1
Unit value.....	\$1,221	\$1,331	\$1,215	\$1,289	\$986	▼(0.5)	▲9.0	▼(8.7)	▼(23.5)
Ending inventory quantity.....	***	***	***	***	***	▼***	▲***	▼***	▲***
Mexico:									
Quantity.....	423,173	214,197	164,874	109,672	127,771	▼(61.0)	▼(49.4)	▼(23.0)	▲16.5
Value.....	625,650	350,487	222,982	157,807	153,229	▼(64.4)	▼(44.0)	▼(36.4)	▼(2.9)
Unit value.....	\$1,478	\$1,636	\$1,352	\$1,439	\$1,199	▼(8.5)	▲10.7	▼(17.3)	▼(16.7)
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Russia:									
Quantity.....	263,730	215,339	49,340	45,203	58,081	▼(81.3)	▼(18.3)	▼(77.1)	▲28.5
Value.....	280,683	230,773	40,376	37,078	42,669	▼(85.6)	▼(17.8)	▼(82.5)	▲15.1
Unit value.....	\$1,064	\$1,072	\$818	\$820	\$735	▼(23.1)	▲0.7	▼(23.6)	▼(10.4)
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
South Korea:									
Quantity.....	504,216	450,082	301,347	166,422	217,666	▼(40.2)	▼(10.7)	▼(33.0)	▲30.8
Value.....	428,053	398,171	209,346	115,045	178,149	▼(51.1)	▼(7.0)	▼(47.4)	▲54.9
Unit value.....	\$849	\$885	\$695	\$691	\$818	▼(18.2)	▲4.2	▼(21.5)	▲18.4
Ending inventory quantity.....	***	***	***	***	***	▼***	▲***	▼***	▼***
Subject sources:									
Quantity.....	1,352,970	1,042,492	532,296	331,812	484,533	▼(60.7)	▼(22.9)	▼(48.9)	▲46.0
Value.....	1,532,002	1,196,233	493,035	323,483	453,889	▼(67.8)	▼(21.9)	▼(58.8)	▲40.3
Unit value.....	\$1,132	\$1,147	\$926	\$975	\$937	▼(18.2)	▲1.3	▼(19.3)	▼(3.9)
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Nonsubject sources:									
Quantity.....	1,377,308	1,238,082	517,473	405,848	216,536	▼(62.4)	▼(10.1)	▼(58.2)	▼(46.6)
Value.....	1,654,526	1,442,969	555,606	423,668	261,120	▼(66.4)	▼(12.8)	▼(61.5)	▼(38.4)
Unit value.....	\$1,201	\$1,165	\$1,074	\$1,044	\$1,206	▼(10.6)	▼(3.0)	▼(7.9)	▲15.5
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
All import sources:									
Quantity.....	2,730,277	2,280,575	1,049,769	737,660	701,068	▼(61.6)	▼(16.5)	▼(54.0)	▼(5.0)
Value.....	3,186,528	2,639,202	1,048,641	747,151	715,010	▼(67.1)	▼(17.2)	▼(60.3)	▼(4.3)
Unit value.....	\$1,167	\$1,157	\$999	\$1,013	\$1,020	▼(14.4)	▼(0.8)	▼(13.7)	▲0.7
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***

Table continued.

Table C-2 continued

OCTG: Summary data concerning the U.S. market excluding two U.S. producers ***, 2018-20, January to June 2020, and January to June 2021

Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Productivity=short tons per 1,000 hours; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year		2020	Jan-Jun		Comparison years			Jan-Jun
	2018	2019		2020	2021	2018-20	2018-19	2019-20	2020-21
Included U.S. mills' and U.S. processors':									
Mills: Average capacity quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Mills: Production quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Mills: Capacity utilization (fn1).....	***	***	***	***	***	▼***	▼***	▼***	▼***
Processors: Average capacity quantity...	***	***	***	***	***	▲***	▲***	▲***	▼***
Processors: Production quantity.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Processors: Capacity utilization (fn1).....	***	***	***	***	***	▼***	▼***	▼***	▲***
U.S. shipments (fn2):									
Quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Value.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Unit value.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Export shipments:									
Quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Value.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit value.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Mills: Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Mills: Inv./total shipments (fn1).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Processors: Ending inventory quantity....	***	***	***	***	***	▲***	▲***	▼***	▼***
Processors: Inv./total shipments (fn1)....	***	***	***	***	***	▲***	▲***	▲***	▼***
Production workers.....	***	***	***	***	***	▼***	▲***	▼***	▼***
Hours worked (1,000s).....	***	***	***	***	***	▼***	▼***	▼***	▼***
Wages paid (\$1,000).....	***	***	***	***	***	▼***	▲***	▼***	▼***
Hourly wages (dollars per hour).....	***	***	***	***	***	▲***	▲***	▲***	▼***
Mills: Productivity.....	***	***	***	***	***	▲***	▼***	▲***	▼***
Mills: Unit labor costs.....	***	***	***	***	***	▲***	▲***	▼***	▲***
Non-toll processors: Productivity.....	***	***	***	***	***	▲***	▼***	▲***	▲***
Non-toll processors: Unit labor costs.....	***	***	***	***	***	▼***	▲***	▼***	▼***
Toll processors: Productivity.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Toll processors: Unit labor costs.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Included U.S. mills' and non-toll processors':									
Net sales:									
Quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Value.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Unit value.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Cost of goods sold (COGS).....	***	***	***	***	***	▼***	▼***	▼***	▼***
Gross profit or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
SG&A expenses.....	***	***	***	***	***	▼***	▲***	▼***	▼***
Operating income or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Net income or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit COGS.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit SG&A expenses.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit operating income or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit net income or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
COGS/sales (fn1).....	***	***	***	***	***	▲***	▲***	▲***	▼***
Operating income or (loss)/sales (fn1)....	***	***	***	***	***	▼***	▼***	▼***	▲***
Net income or (loss)/sales (fn1).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Capital expenditures.....	***	***	***	***	***	▼***	▼***	▼***	***
Research and development expenses...	***	***	***	***	***	▲***	▲***	▼***	▼***
Net assets.....	***	***	***	***	***	▼***	▲***	▼***	***

Table continued.

Table C-2 continued

OCTG: Summary data concerning the U.S. market excluding two U.S. producers ***, 2018-20, January to June 2020, and January to June 2021

Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Productivity=short tons per 1,000 hours; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year		2020	Jan-Jun		Comparison years			Jan-Jun
	2018	2019		2020	2021	2018-20	2018-19	2019-20	2020-21
Included U.S. toll processors:									
Net tolling:									
Quantity.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Value.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit value.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Total cost of tolling services (COTS).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Gross profit or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
G&A expenses.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Operating income or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit COTS.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit G&A expenses.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit operating income or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
COTS/sales (fn1).....	***	***	***	***	***	▲***	▲***	▲***	▼***
Operating income or (loss)/sales (fn1)....	***	***	***	***	***	▼***	▼***	▼***	▲***
Capital expenditures.....	***	***	***	***	***	▼***	▲***	▼***	▲***
Research and development expenses...	***	***	***	***	***	***	***	***	***
Net assets.....	***	***	***	***	***	▼***	▼***	▼***	***

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "--". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Quantity for U.S. producers' U.S. shipments reflects mill's U.S. shipment quantities. Value for U.S. producers' U.S. shipments reflects OCTG products sold in the United States from domestically manufactured OCTG (including the incremental value added by U.S. processors to domestic OCTG), as well as the incremental value added by U.S. processors to imported OCTG. In measuring consumption and market share this methodology avoids reclassifying and/or double counting merchandise already reported as an import. Unit values are based on the fully domestic value.

fn3.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150, accessed November 9, 2021. Imports quantities are based on the imports for consumption data series and value data reflect landed duty-paid values.

Related party exclusion: One producer

Table C-3

OCTG: Summary data concerning the U.S. market excluding one U.S. producer *, 2018-20, January to June 2020, and January to June 2021**

Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Productivity=short tons per 1,000 hours; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year		2020	Jan-Jun		Comparison years			Jan-Jun 2020-21
	2018	2019		2020	2021	2018-20	2018-19	2019-20	
U.S. consumption quantity:									
Amount.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Producers' share (fn1):									
Included producers.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Excluded producers.....	***	***	***	***	***	▲***	▲***	▲***	▼***
All producers.....	***	***	***	***	***	***	***	***	***
Importers' share (fn1):									
Argentina.....	***	***	***	***	***	▼***	▲***	▼***	▲***
Mexico.....	***	***	***	***	***	▼***	▼***	▲***	▲***
Russia.....	***	***	***	***	***	▼***	▼***	▼***	▲***
South Korea.....	***	***	***	***	***	▲***	▼***	▲***	▲***
Subject sources.....	***	***	***	***	***	▼***	▼***	▲***	▲***
Nonsubject sources.....	***	***	***	***	***	▼***	▼***	▼***	▼***
All import sources.....	***	***	***	***	***	▼***	▼***	▼***	▲***
U.S. consumption value:									
Amount.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Producers' share (fn1):									
Included producers.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Excluded producers.....	***	***	***	***	***	▲***	▲***	▲***	▲***
All producers.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Importers' share (fn1):									
Argentina.....	***	***	***	***	***	▼***	▲***	▼***	▲***
Mexico.....	***	***	***	***	***	▼***	▼***	▲***	▲***
Russia.....	***	***	***	***	***	▼***	▼***	▼***	▲***
South Korea.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Subject sources.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Nonsubject sources.....	***	***	***	***	***	▼***	▼***	▼***	▼***
All import sources.....	***	***	***	***	***	▼***	▼***	▼***	▲***
U.S. imports from:									
Argentina:									
Quantity.....	161,851	162,875	16,735	10,515	81,015	▼(89.7)	▲0.6	▼(89.7)	▲670.5
Value.....	197,616	216,803	20,331	13,553	79,842	▼(89.7)	▲9.7	▼(90.6)	▲489.1
Unit value.....	\$1,221	\$1,331	\$1,215	\$1,289	\$986	▼(0.5)	▲9.0	▼(8.7)	▼(23.5)
Ending inventory quantity.....	***	***	***	***	***	▼***	▲***	▼***	▲***
Mexico:									
Quantity.....	423,173	214,197	164,874	109,672	127,771	▼(61.0)	▼(49.4)	▼(23.0)	▲16.5
Value.....	625,650	350,487	222,982	157,807	153,229	▼(64.4)	▼(44.0)	▼(36.4)	▼(2.9)
Unit value.....	\$1,478	\$1,636	\$1,352	\$1,439	\$1,199	▼(8.5)	▲10.7	▼(17.3)	▼(16.7)
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Russia:									
Quantity.....	263,730	215,339	49,340	45,203	58,081	▼(81.3)	▼(18.3)	▼(77.1)	▲28.5
Value.....	280,683	230,773	40,376	37,078	42,669	▼(85.6)	▼(17.8)	▼(82.5)	▲15.1
Unit value.....	\$1,064	\$1,072	\$818	\$820	\$735	▼(23.1)	▲0.7	▼(23.6)	▼(10.4)
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
South Korea:									
Quantity.....	504,216	450,082	301,347	166,422	217,666	▼(40.2)	▼(10.7)	▼(33.0)	▲30.8
Value.....	428,053	398,171	209,346	115,045	178,149	▼(51.1)	▼(7.0)	▼(47.4)	▲54.9
Unit value.....	\$849	\$885	\$695	\$691	\$818	▼(18.2)	▲4.2	▼(21.5)	▲18.4
Ending inventory quantity.....	***	***	***	***	***	▼***	▲***	▼***	▼***
Subject sources:									
Quantity.....	1,352,970	1,042,492	532,296	331,812	484,533	▼(60.7)	▼(22.9)	▼(48.9)	▲46.0
Value.....	1,532,002	1,196,233	493,035	323,483	453,889	▼(67.8)	▼(21.9)	▼(58.8)	▲40.3
Unit value.....	\$1,132	\$1,147	\$926	\$975	\$937	▼(18.2)	▲1.3	▼(19.3)	▼(3.9)
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Nonsubject sources:									
Quantity.....	1,377,308	1,238,082	517,473	405,848	216,536	▼(62.4)	▼(10.1)	▼(58.2)	▼(46.6)
Value.....	1,654,526	1,442,969	555,606	423,668	261,120	▼(66.4)	▼(12.8)	▼(61.5)	▼(38.4)
Unit value.....	\$1,201	\$1,165	\$1,074	\$1,044	\$1,206	▼(10.6)	▼(3.0)	▼(7.9)	▲15.5
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
All import sources:									
Quantity.....	2,730,277	2,280,575	1,049,769	737,660	701,068	▼(61.6)	▼(16.5)	▼(54.0)	▼(5.0)
Value.....	3,186,528	2,639,202	1,048,641	747,151	715,010	▼(67.1)	▼(17.2)	▼(60.3)	▼(4.3)
Unit value.....	\$1,167	\$1,157	\$999	\$1,013	\$1,020	▼(14.4)	▼(0.8)	▼(13.7)	▲0.7
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***

Table continued.

Table C-3 continued

OCTG: Summary data concerning the U.S. market excluding one U.S. producer ***, 2018-20, January to June 2020, and January to June 2021

Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Productivity=short tons per 1,000 hours; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year		2020	Jan-Jun		Comparison years			Jan-Jun
	2018	2019		2020	2021	2018-20	2018-19	2019-20	2020-21
Included U.S. mills' and U.S. processors':									
Mills: Average capacity quantity.....	***	***	***	***	***	▼***	▲***	▼***	▲***
Mills: Production quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Mills: Capacity utilization (fn1).....	***	***	***	***	***	▼***	▼***	▼***	▼***
Processors: Average capacity quantity...	***	***	***	***	***	▲***	▲***	▲***	▼***
Processors: Production quantity.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Processors: Capacity utilization (fn1).....	***	***	***	***	***	▼***	▼***	▼***	▲***
U.S. shipments (fn2):									
Quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Value.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Unit value.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Export shipments:									
Quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Value.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit value.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Mills: Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Mills: Inv./total shipments (fn1).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Processors: Ending inventory quantity....	***	***	***	***	***	▲***	▲***	▼***	▼***
Processors: Inv./total shipments (fn1)....	***	***	***	***	***	▲***	▲***	▲***	▼***
Production workers.....	***	***	***	***	***	▼***	▲***	▼***	▼***
Hours worked (1,000s).....	***	***	***	***	***	▼***	▼***	▼***	▼***
Wages paid (\$1,000).....	***	***	***	***	***	▼***	▲***	▼***	▼***
Hourly wages (dollars per hour).....	***	***	***	***	***	▲***	▲***	▲***	▼***
Mills: Productivity.....	***	***	***	***	***	▼***	▼***	▲***	▼***
Mills: Unit labor costs.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Non-toll processors: Productivity.....	***	***	***	***	***	▲***	▼***	▲***	▲***
Non-toll processors: Unit labor costs.....	***	***	***	***	***	▼***	▲***	▼***	▼***
Toll processors: Productivity.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Toll processors: Unit labor costs.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Included U.S. mills' and non-toll processors':									
Net sales:									
Quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Value.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Unit value.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Cost of goods sold (COGS).....	***	***	***	***	***	▼***	▼***	▼***	▼***
Gross profit or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
SG&A expenses.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Operating income or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Net income or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit COGS.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit SG&A expenses.....	***	***	***	***	***	▲***	▼***	▲***	▲***
Unit operating income or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▼***
Unit net income or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▼***
COGS/sales (fn1).....	***	***	***	***	***	▲***	▲***	▲***	▼***
Operating income or (loss)/sales (fn1)....	***	***	***	***	***	▼***	▼***	▼***	▲***
Net income or (loss)/sales (fn1).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Capital expenditures.....	***	***	***	***	***	▼***	▲***	▼***	▼***
Research and development expenses...	***	***	***	***	***	▼***	▲***	▼***	▼***
Net assets.....	***	***	***	***	***	▲***	▲***	▼***	***

Table continued.

Table C-3 continued

OCTG: Summary data concerning the U.S. market excluding one U.S. producer ***, 2018-20, January to June 2020, and January to June 2021

Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Productivity=short tons per 1,000 hours; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year		2020	Jan-Jun		Comparison years			Jan-Jun 2020-21
	2018	2019		2020	2021	2018-20	2018-19	2019-20	
Included U.S. toll processors:									
Net tolling:									
Quantity.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Value.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit value.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Total cost of tolling services (COTS).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Gross profit or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
G&A expenses.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Operating income or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit COTS.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit G&A expenses.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit operating income or (loss) (fn3).....	***	***	***	***	***	▼***	▼***	▼***	▲***
COTS/sales (fn1).....	***	***	***	***	***	▲***	▲***	▲***	▼***
Operating income or (loss)/sales (fn1)....	***	***	***	***	***	▼***	▼***	▼***	▲***
Capital expenditures.....	***	***	***	***	***	▼***	▲***	▼***	▲***
Research and development expenses...	***	***	***	***	***	***	***	***	***
Net assets.....	***	***	***	***	***	▼***	▼***	▼***	***

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "--". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Quantity for U.S. producers' U.S. shipments reflects mill's U.S. shipment quantities. Value for U.S. producers' U.S. shipments reflects OCTG products sold in the United States from domestically manufactured OCTG (including the incremental value added by U.S. processors to domestic OCTG), as well as the incremental value added by U.S. processors to imported OCTG. In measuring consumption and market share this methodology avoids reclassifying and/or double counting merchandise already reported as an import. Unit values are based on the fully domestic value.

fn3.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150, accessed November 9, 2021. Imports quantities are based on the imports for consumption data series and value data reflect landed duty-paid values.

APPENDIX D

SECTION 232 PROCLAMATIONS

Table D-1**Section 232 actions: Presidential proclamations, 2017 to present**

Effective date	Action
April 19, 2017	The Department of Commerce announced the institution of an investigation, by its U.S. Bureau of Industry and Security (“BIS”) into the potential impact of imported steel mill products on national security (82 FR 19205).
January 11, 2018	The Secretary of Commerce submitted the BIS Section 232 steel imports report to the President.
March 23, 2018	The President announced the imposition of 25 percent ad valorem national-security duties on U.S. steel imports. Initially exempted— Canada and Mexico (83 FR 11625).
March 23 through May 1, 2018	Adjustment: Exempted— Argentina, Australia, Brazil, Canada, the European Union (“EU”) member states, Korea, and Mexico (83 FR 13361).
May 1 through June 1, 2018	Adjustment: Exemptions continued with annual quota limits— Argentina, Brazil, and Korea. Exemptions not continued— Canada, Mexico, and EU member states (83 FR 20683, 83 FR 25857).
August 13, 2018	Adjustment: Exemptions continued— Argentina, Australia, Brazil, and Korea. Duty rate doubled to 50 percent ad valorem— Turkey (83 FR 40429).
May 20, 2019	Adjustment: Exemptions reinstated— Canada and Mexico (84 FR 23987).
May 21, 2019	Adjustment: Duty rate reduced from 50 percent back to 25 percent ad valorem— Turkey (84 FR 23421).
October 31, 2021	Adjustment: The Office of the United States Trade Representative announced that effective January 1, 2022, Section 232 duties for EU member states will be replaced with a tariff-rate quota. Imports from EU member states of steel products subject to section 232 steel tariffs that are within the quota will enter free of any Section 232 duty. Imports from EU member states of steel products subject to section 232 steel tariffs that exceed the quota will continue to be subject to a Section 232 duty of 25 percent

Sources: Notice Request for Public Comments and Public Hearing on Section 232 National Security Investigation of Imports of Steel, April 17, 2017, 82 FR 19205, April 26, 2017. “Statement from the Department of Commerce on Submission of Steel Section 232 Report to the President,” News Release January 11, 2018, <https://2017-2021.commerce.gov/index.php/news/press-releases/2018/01/statement-department-commerce-submission-steel-section-232-report.html>. Adjusting Imports of Steel Into the United States, Presidential Proclamation 9705, March 8, 2018, 83 FR 11625, March 15, 2018. Adjusting Imports of Steel Into the United States, Presidential Proclamation 9711, March 22, 2018, 83 FR 13361, March 28, 2018. Adjusting Imports of Steel Into the United States, Presidential Proclamation 9740, April 30, 2018, 83 FR 20683, May 7, 2018; Adjusting Imports of Steel Into the United States, Presidential Proclamation 9759, May 31, 2018, 83 FR 25857, June 5, 2018. Continuation of the exemption for Australia, as of June 1, 2018, was included in subsequent Presidential Proclamation 9772, August 10, 2018. Adjusting Imports of Steel Into the United States, Presidential Proclamation 9772, August 10, 2018, 83 FR 40429, August 15, 2018. Adjusting Imports of Steel Into the United States, Presidential Proclamation 9894, May 19, 2019, 84 FR 23987, May 23, 2019. Adjusting Imports of Steel Into the United States, Presidential Proclamation 9886, May 16, 2019, 84 FR 23421, May 21, 2019. Office of the United States Trade Representative, “Announcement of Actions on EU Imports Under Section 232,” October 31, 2021, <https://ustr.gov/sites/default/files/files/Statements/US%20232%20EU%20Statement.pdf>.

APPENDIX E
SEMI-FINISHED PRODUCT ANALYSIS

Table E-1

OCTG: U.S. producers' responses to the semi-finished product questions

Semi finished factor	No	Yes
Other uses	12	0
Separate market	12	1
Difference in characteristics	1	12
Difference in cost	0	13
Transformation intensive	1	12

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

Table E-2
OCTG: U.S. producers' narrative responses to semi-finished product analysis, by firm

Producer name	Comparison factor	Narrative explanation on semi-finished like product factor
***	Other uses	***
***	Separate market	***
***	Differences in characteristics	***
***	Differences in characteristics	***
***	Differences in characteristics	***
***	Differences in characteristics	***
***	Differences in characteristics	***
***	Differences in characteristics	***
***	Differences in characteristics	***
***	Differences in characteristics	***
***	Differences in characteristics	***
***	Differences in characteristics	***
***	Differences in characteristics	***
***	Differences in characteristics	***
***	Differences in cost	***
***	Differences in cost	***
***	Differences in cost	***
***	Differences in cost	***
***	Differences in cost	***
***	Differences in cost	***
***	Differences in cost	***
***	Differences in cost	***
***	Differences in cost	***
***	Differences in cost	***

Producer name	Comparison factor	Narrative explanation on semi-finished like product factor
***	Differences in cost	***
***	Differences in cost	***
***	Differences in cost	***
***	Differences in cost	***
***	Transformation intensive	***
***	Transformation intensive	***
***	Transformation intensive	***
***	Transformation intensive	***
***	Transformation intensive	***
***	Transformation intensive	***
***	Transformation intensive	***
***	Transformation intensive	***
***	Transformation intensive	***
***	Transformation intensive	***
***	Transformation intensive	***
***	Transformation intensive	***
***	Transformation intensive	***

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

APPENDIX F

OIL AND NATURAL GAS PRICES

Table E-1**Crude oil: Price in USD per barrel of WTI spot f.o.b. Cushing OK, by month, January 2018-June 2020**

Price in dollars per barrel

Year	Month	Cushing, OK WTI Spot Price FOB
2018	January	63.70
2018	February	62.23
2018	March	62.73
2018	April	66.25
2018	May	69.98
2018	June	67.87
2018	July	70.98
2018	August	68.06
2018	September	70.23
2018	October	70.75
2018	November	56.96
2018	December	49.52
2019	January	51.38
2019	February	54.95
2019	March	58.15
2019	April	63.86
2019	May	60.83
2019	June	54.66
2019	July	57.35
2019	August	54.81
2019	September	56.95
2019	October	53.96
2019	November	57.03
2019	December	59.88
2020	January	57.52
2020	February	50.54
2020	March	29.21
2020	April	16.55
2020	May	28.56
2020	June	38.31
2020	July	40.71
2020	August	42.34
2020	September	39.63
2020	October	39.40
2020	November	40.94
2020	December	47.02
2021	January	52.00
2021	February	59.04
2021	March	62.33
2021	April	61.72
2021	May	65.17
2021	June	71.38
2021	July	72.49
2021	August	67.73
2021	September	71.65

Source: EIA: <https://www.eia.gov/outlooks/steo/data/browser/#?v=8> (accessed Oct 13, 2021)

Table E-2**Natural gas: Price in USD per million Btu of natural gas (Henry Hub spot price), by month, January 2018-June 2020**

Price in dollars per million Btu

Year	Month	Henry Hub Natural Gas Spot Price
2018	January	3.87
2018	February	2.67
2018	March	2.69
2018	April	2.8
2018	May	2.8
2018	June	2.97
2018	July	2.83
2018	August	2.96
2018	September	3.00
2018	October	3.28
2018	November	4.09
2018	December	4.04
2019	January	3.11
2019	February	2.69
2019	March	2.95
2019	April	2.65
2019	May	2.64
2019	June	2.40
2019	July	2.37
2019	August	2.22
2019	September	2.56
2019	October	2.33
2019	November	2.65
2019	December	2.22
2020	January	2.02
2020	February	1.91
2020	March	1.79
2020	April	1.74
2020	May	1.75
2020	June	1.63
2020	July	1.77
2020	August	2.30
2020	September	1.92
2020	October	2.39
2020	November	2.61
2020	December	2.59
2021	January	2.71
2021	February	5.35
2021	March	2.62
2021	April	2.66
2021	May	2.91
2021	June	3.26
2021	July	3.84
2021	August	4.07
2021	September	5.16

Source: EIA: <https://www.eia.gov/outlooks/steo/data/browser/#?v=8> (accessed Oct 13, 2021)

APPENDIX G

PRODUCTION-RELATED ACTIVITIES BY U.S. PROCESSORS

Table G-1

OCTG: U.S. mill and processor * narrative explanations relating to its overall domestic production activities and to the sufficient production-related activity factors as they relate to production or processing operations**

Factor	Narrative responses
Domestic production activities description	***
Capital investments	***
Technical expertise	***
Value added	***
Employment	***
Quantity, type and source of parts	***
Costs and activities	***
Rating of complexity	***
Narrative on complexity	***

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

Table G-2

OCTG: U.S. mill and processor * narrative explanations relating to its overall domestic production activities and to the sufficient production-related activity factors as they relate to production or processing operations**

Factor	Narrative responses
Domestic production activities description	***
Capital investments	***
Technical expertise	***
Value added	***
Employment	***
Quantity, type and source of parts	***
Costs and activities	***
Rating of complexity	***
Narrative on complexity	***

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

Table G-3

OCTG: U.S. mill and processor * narrative explanations relating to its overall domestic production activities and to the sufficient production-related activity factors as they relate to production or processing operations**

Factor	Narrative responses
Domestic production activities description	***
Capital investments	***
Technical expertise	***
Value added	***
Employment	***
Quantity, type and source of parts	***
Costs and activities	***
Rating of complexity	***
Narrative on complexity	***

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

Table G-4

OCTG: U.S. mill and processor * narrative explanations relating to its overall domestic production activities and to the sufficient production-related activity factors as they relate to production or processing operations**

Factor	Narrative responses
Domestic production activities description	***
Capital investments	***
Technical expertise	***
Value added	***
Employment	***
Quantity, type and source of parts	***
Costs and activities	***
Rating of complexity	***
Narrative on complexity	***

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

Table G-5

OCTG: U.S. processor * narrative explanations relating to its overall domestic production activities and to the sufficient production-related activity factors as they relate to production or processing operations**

Factor	Narrative responses
Domestic production activities description	***
Capital investments	***
Technical expertise	***
Value added	***
Employment	***
Quantity, type and source of parts	***
Costs and activities	***
Rating of complexity	***
Narrative on complexity	***

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

Table G-6

OCTG: U.S. mill and processor * narrative explanations relating to its overall domestic production activities and to the sufficient production-related activity factors as they relate to production or processing operations**

Factor	Narrative responses
Domestic production activities description	***
Capital investments	***
Technical expertise	***
Value added	***
Employment	***
Quantity, type and source of parts	***
Costs and activities	***
Rating of complexity	***
Narrative on complexity	***

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

Table G-7

OCTG: U.S. processor * narrative explanations relating to its overall domestic production activities and to the sufficient production-related activity factors as they relate to production or processing operations**

Factor	Narrative responses
Domestic production activities description	***
Capital investments	***
Technical expertise	***
Value added	***
Employment	***
Quantity, type and source of parts	***
Costs and activities	***
Rating of complexity	***
Narrative on complexity	***

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

Table G-8

OCTG: U.S. mill and processor * narrative explanations relating to its overall domestic production activities and to the sufficient production-related activity factors as they relate to production or processing operations**

Factor	Narrative responses
Domestic production activities description	***
Capital investments	***
Technical expertise	***
Value added	***
Employment	***
Quantity, type and source of parts	***
Costs and activities	***
Rating of complexity	***
Narrative on complexity	***

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

Table G-9

OCTG: U.S. processor * narrative explanations relating to its overall domestic production activities and to the sufficient production-related activity factors as they relate to production or processing operations**

Factor	Narrative responses
Domestic production activities description	***
Capital investments	***
Technical expertise	***
Value added	***
Employment	***
Quantity, type and source of parts	***
Costs and activities	***
Rating of complexity	***
Narrative on complexity	***

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

Table G-10

OCTG: U.S. processor * narrative explanations relating to its overall domestic production activities and to the sufficient production-related activity factors as they relate to production or processing operations**

Factor	Narrative responses
Domestic production activities description	***
Capital investments	***
Technical expertise	***
Value added	***
Employment	***
Quantity, type and source of parts	***
Costs and activities	***
Rating of complexity	***
Narrative on complexity	***

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

Table G-11

OCTG: U.S. mill and processor * narrative explanations relating to its overall domestic production activities and to the sufficient production-related activity factors as they relate to production or processing operations**

Factor	Narrative responses
Domestic production activities description	***
Capital investments	***
Technical expertise	***
Value added	***
Employment	***
Quantity, type and source of parts	***
Costs and activities	***
Rating of complexity	***
Narrative on complexity	***

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

Table G-12

OCTG: U.S. mill and processor * narrative explanations relating to its overall domestic production activities and to the sufficient production-related activity factors as they relate to production or processing operations**

Factor	Narrative responses
Domestic production activities description	***
Capital investments	***
Technical expertise	***
Value added	***
Employment	***
Quantity, type and source of parts	***
Costs and activities	***
Rating of complexity	***
Narrative on complexity	***

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

