

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[C-533-853, C-523-802, C-520-806, and C-552-810]

**Circular Welded Carbon-Quality Steel Pipe From India, the Sultanate of Oman, the United Arab Emirates, and the Socialist Republic of Vietnam: Initiation of Countervailing Duty Investigations**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**DATES:** *Effective Date:* November 22, 2011.

**FOR FURTHER INFORMATION CONTACT:** Joshua Morris, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-1779.

**SUPPLEMENTARY INFORMATION:**

**The Petitions**

On October 26, 2011, the Department of Commerce (“Department”) received petitions filed in proper form by Allied Tube and Conduit, JMC Steel Group, Wheatland Tube, and United States Steel Corporation (collectively, “Petitioners”), who are domestic producers of circular welded carbon-quality steel pipe (“certain steel pipe”). See Petitions for the Imposition of Antidumping and Countervailing Duties on Circular Welded Carbon-Quality Steel Pipe from India, Oman, the United Arab Emirates, and Vietnam, dated October 26, 2011 (hereinafter, “the Petitions”). In response to the Department’s requests, Petitioners provided timely information supplementing the Petitions on November 7, 2011 (hereinafter, the “Supplement to the AD/CVD Petitions”), November 9, 2011, and November 10, 2011.

In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (“the Act”), Petitioners allege that manufacturers, producers, or importers of certain steel pipe from India, the Sultanate of Oman (“Oman”), the United Arab Emirates (“the UAE”), and the Socialist Republic of Vietnam (“Vietnam”), receive countervailable subsidies within the meaning of section 701 of the Act, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing certain steel pipe in the United States.

The Department finds that Petitioners filed the Petitions on behalf of the

domestic industry because they are interested parties as defined in section 771(9)(C) of the Act, and Petitioners have demonstrated sufficient industry support with respect to the Petitions (see “Determination of Industry Support for the Petitions” section below).

**Period of Investigation**

The period of investigation is January 1, 2010, through December 31, 2010.

**Scope of Investigations**

The products covered by these investigations are certain steel pipe from India, Oman, the UAE, and Vietnam. For a full description of the scope of the investigations, see “Scope of the Investigations,” in Appendix I of this notice.

**Comments on Scope of Investigations**

During our review of the Petitions, we discussed the scope with Petitioners to ensure that it is an accurate reflection of the products for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the Department’s regulations, we are setting aside a period for interested parties to raise issues regarding product coverage. See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997). Interested parties that wish to submit comments on the scope should do so by December 5, 2011, twenty calendar days from the signature date of this notice. All comments must be filed on the records of the India, Oman, the UAE, and Vietnam antidumping duty investigations and the India, Oman, the UAE, and Vietnam countervailing duty (“CVD”) investigations. All comments and submissions to the Department must be filed electronically using Import Administration’s Antidumping and Countervailing Duty Centralized Electronic Service System (“IA ACCESS”). An electronically filed document must be received successfully in its entirety by the Department’s electronic records system, IA ACCESS, by the time and date noted above. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with the Import Administration’s APO/Dockets Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230, and stamped with the date and time of receipt by the deadline noted above.<sup>1</sup>

<sup>1</sup> See <http://www.gpo.gov/fdsys/pkg/FR-2011-07-06/pdf/2011-16352.pdf> for details of the Department’s Electronic Filing Requirements, which went into effect on August 5, 2011. Information on help using IA ACCESS can be found at <https://iaaccess.trade.gov/help.aspx> and a

**Consultations**

Pursuant to section 702(b)(4)(A)(ii) of the Act, on October 27, 2011, the Department invited representatives of the Indian, Omani, UAE, and Vietnamese governments to consult with respect to the Petitions.

On November 9, 2011, the Indian government asked the Department to postpone initiation of the investigation so that the Department could hold consultations with representatives of the Indian government after November 15, 2011. See Letter from Embassy of India to the Department of Commerce (November 9, 2011). On November 10, 2011, the Department advised the Indian government that we were statutorily obligated to initiate an investigation or dismiss the Petitions no later than November 15, 2011, and could only extend this period under section 702(b)(4)(A)(ii) of the Act in circumstances where the Department finds that the Petitions alone do not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product and, as a result, the Department is required to poll or otherwise determine support for the Petitions by the industry. Since the Department was not faced with those circumstances, the Indian government was notified that we would be available to meet with them after initiation. See Letter from Nancy Decker to the Embassy of India (November 10, 2011). On November 15, 2011, the Indian government submitted comments objecting to the allegations made by Petitioners and arguing that we should not initiate a CVD investigation. See Memorandum to File (November 15, 2011). On November 15, 2011, we sent a response to the Indian government. See Letter from Nancy Decker to the Embassy of India (November 15, 2011).

The Omani government was unable to participate in consultations prior to initiation.

Consultations with the Vietnamese and UAE governments were held in Washington, DC, on November 7, 2011, and November 14, 2011, respectively. See *Ex-Parte* Memorandum on Consultations regarding the Petition for Imposition of Countervailing Duties on Circular Welded Carbon-Quality Steel Pipe from the Socialist Republic of Vietnam (November 15, 2011); and *Ex-Parte* Memorandum on Consultations regarding the Petition for Imposition of Countervailing Duties on Circular Welded Carbon-Quality Steel Pipe from

handbook can be found at <https://iaaccess.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

the United Arab Emirates (November 14, 2011). All memoranda are on file electronically via IA ACCESS. Access to IA ACCESS is available in the Central Records Unit ("CRU"), Room 7046, of the main Department of Commerce building.

#### Determination of Industry Support for the Petitions

Section 702(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 702(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) At least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 702(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) Poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the industry.

Section 771(4)(A) of the Act defines the "industry" as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission ("ITC"), which is responsible for determining whether "the domestic industry" has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (*see* section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law. *See USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988)), *aff'd* 865 F.2d 240 (Fed. Cir. 1989).

Section 771(10) of the Act defines the domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation" (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, Petitioners do not offer a definition of domestic like product distinct from the scope of the investigations. Based on our analysis of the information submitted on the record, we have determined that certain steel pipe constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product. For a discussion of the domestic like product analysis in this case, *see* Countervailing Duty Investigation Initiation Checklist: Circular Welded Carbon-Quality Steel Pipe from India ("India CVD Checklist"), Countervailing Duty Investigation Initiation Checklist: Circular Welded Carbon-Quality Steel Pipe from Oman ("Oman CVD Checklist"), Countervailing Duty Investigation Initiation Checklist: Circular Welded Carbon-Quality Steel Pipe from the United Arab Emirates ("UAE CVD Checklist"), and Countervailing Duty Investigation Initiation Checklist: Circular Welded Carbon-Quality Steel Pipe from the Socialist Republic of Vietnam ("Vietnam CVD Checklist") at Attachment II, Analysis of Industry Support for the Petitions Covering Circular Welded Carbon-Quality Steel Pipe, on file electronically in the CRU via IA ACCESS.

In determining whether Petitioners have standing under section 702(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the "Scope of Investigations," in Appendix I of this notice. To establish industry support, Petitioners provided their shipments of the domestic like product in 2010, and compared their shipments to the estimated total shipments of the domestic like product for the entire domestic industry. Because total industry production data for the domestic like product for 2010 is not reasonably available and Petitioners have established that shipments are a reasonable proxy for production data, we have relied upon the shipment data provided by Petitioners for purposes of measuring industry support. For further

discussion, *see* India CVD Checklist, Oman CVD Checklist, UAE CVD Checklist, and Vietnam CVD Checklist, at Attachment II.

Our review of the data provided in the Petitions, supplemental submissions, and other information readily available to the Department indicates that Petitioners have established industry support. First, the Petitions established support from domestic producers accounting for more than 50 percent of the total shipments<sup>2</sup> of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (*e.g.*, polling). *See* Section 702(c)(4)(D) of the Act and India CVD Checklist, Oman CVD Checklist, UAE CVD Checklist, and Vietnam CVD Checklist, at Attachment II. Second, the domestic producers have met the statutory criteria for industry support under section 702(c)(4)(A)(i) of the Act because the domestic producers who support the Petitions account for at least 25 percent of the total shipments of the domestic like product. *See* India CVD Checklist, Oman CVD Checklist, UAE CVD Checklist, and Vietnam CVD Checklist, at Attachment II. Finally, the domestic producers have met the statutory criteria for industry support under section 702(c)(4)(A)(ii) of the Act because the domestic producers who support the Petitions account for more than 50 percent of the shipments of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions. *See* India CVD Checklist, Oman CVD Checklist, UAE CVD Checklist, and Vietnam CVD Checklist, at Attachment II. Accordingly, the Department determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 702(b)(1) of the Act. *See* India CVD Checklist, Oman CVD Checklist, UAE CVD Checklist, and Vietnam CVD Checklist, at Attachment II.

The Department finds that Petitioners filed the Petitions on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) of the Act and they have demonstrated sufficient industry support with respect to the countervailing duty investigations they are requesting the Department initiate. *See* India CVD Checklist, Oman CVD Checklist, UAE CVD Checklist, and Vietnam CVD Checklist, at Attachment II.

<sup>2</sup> As mentioned above, Petitioners have established that shipments are a reasonable proxy for production data. Section 351.203(e)(1) of the Department's regulations states "production levels may be established by reference to alternative data that the Secretary determines to be indicative of production levels."

Vietnam CVD Checklist, at Attachment II.

### *Injury Test*

Because India, Oman, the UAE, and Vietnam all are a "Subsidies Agreement country" within the meaning of section 701(b) of the Act, section 701(a)(2) of the Act applies to this investigation. Accordingly, the ITC must determine whether imports of the subject merchandise from India, Oman, the UAE, and Vietnam materially injure, or threaten material injury to, a U.S. industry.

### *Allegations and Evidence of Material Injury and Causation*

Petitioners allege that imports of the subject merchandise are benefitting from countervailable subsidies and that such imports are causing, or threaten to cause, material injury to the U.S. industry producing the domestic like product. In addition, Petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.

Petitioners contend that the industry's injured condition is illustrated by reduced market share; reduced production, shipments, capacity, and capacity utilization; reduced employment, hours worked, and wages paid; underselling and price depression or suppression; decline in financial performance; lost sales and revenue; and increase in the volume of imports and import penetration despite overall declining demand. *See* India CVD Initiation Checklist, Oman CVD Initiation Checklist, UAE CVD Initiation Checklist, and Vietnam CVD Initiation Checklist, at "Analysis of Allegations and Evidence of Material Injury and Causation for the Petitions Covering Circular Welded Carbon-Quality Steel Pipe from India, Oman, the UAE, and Vietnam" in Attachment III. We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation. *See* India CVD Initiation Checklist, Oman CVD Initiation Checklist, UAE CVD Initiation Checklist, and Vietnam CVD Initiation Checklist, at Attachment III.

### *Initiation of Countervailing Duty Investigations*

Section 702(b) of the Act requires the Department to initiate a CVD proceeding whenever an interested party files a petition on behalf of an industry that: (1) Alleges the elements necessary for an imposition of a duty under section

701(a) of the Act; and (2) is accompanied by information reasonably available to Petitioner(s) supporting the allegations. The Department has examined the Petitions on certain steel pipe from India, Oman, the UAE, and Vietnam and finds that it complies with the requirements of section 702(b) of the Act. Therefore, in accordance with section 702(b) of the Act, we are initiating CVD investigations to determine whether manufacturers, producers, or exporters of certain steel pipe in India, Oman, the UAE, and Vietnam receive countervailable subsidies. For a discussion of evidence supporting our initiation determination, *see* India CVD Initiation Checklist, Oman CVD Initiation Checklist, UAE CVD Initiation Checklist, and Vietnam CVD Initiation Checklist.

### *I. India*

We are including in our investigation the following programs alleged in the Petitions to have provided countervailable subsidies to producers and exporters of the subject merchandise in India:

- A. Export Oriented Unit Schemes
  1. Duty-free import of all types of goods, including capital goods and raw materials
  2. Reimbursement of Central Sales Tax ("CST") paid on goods manufactured in India
  3. Duty drawback on fuel procured from domestic oil companies
  4. Exemption from income tax under Section 10A and 10B of Income Tax Act
  5. Exemption from payment of Central Excise Duty on goods manufactured in India and procured from a Domestic Tariff Area
  6. Reimbursement of CST on goods manufactured in India and procured from a Domestic Tariff Area
- B. Export Promotion Capital Goods Scheme
- C. Duty Exemption/Remission Schemes
- D. Pre-shipment and Post-shipment Export Financing
- E. Market Development Assistance
- F. Market Access Initiative
- G. Government of India Loan Guarantees
- H. Status Certificate Program
- I. Steel Development Fund Loans
- J. Research and Technology Scheme Under Empowered Committee Mechanism with Steel Development Fund Support
- K. Special Economic Zones ("SEZ") Programs
  1. Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables,

Intermediates, Spare Parts and Packing Material

2. Exemption from Payment of CST on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material
3. Exemption from Electricity Duty and Cess thereon on the Sale or Supply to the SEZ Unit
4. SEZ Income Tax Exemption Scheme (Section 10A)
- 5A. Discounted Land and Related Fees in an SEZ
- 5B. Land Provided at Less Than Adequate Remuneration in an SEZ
- L. Input Programs
  1. Provision of Hot-Rolled Steel by the Steel Authority of India For Less Than Adequate Remuneration ("LTAR")
  2. Provision of Captive Mining Rights
  3. Captive Mining Rights of Coal
  4. Provision of High-Grade Ore for LTAR
- M. State Government of Maharashtra ("SGOM") Programs
  1. Sales Tax Program
  2. Value-Added Tax Refunds under SGOM Package Scheme
  3. Electricity Duty Scheme under Package Scheme Incentives 1993
  4. Octroi Refunds
  5. Octroi Loan Guarantees
  6. Infrastructure Assistance for Mega Projects
  7. Provision of Land for LTAR
  8. Investment Subsidies

For further information explaining why the Department is investigating these programs, *see* India CVD Initiation Checklist.

### *II. Oman*

We are including in our investigation the following programs alleged in the Petitions to have provided countervailable subsidies to producers and exporters of the subject merchandise in Oman:

- A. Tariff Exemptions on Imported Equipment, Machinery, Raw Materials and Packaging Materials
- B. Government Provision of Goods and Services for LTAR
  1. Land and Buildings for LTAR
  2. Electricity, Water, and Natural Gas for LTAR
- C. Preferential Loans
  1. Soft Loans for Industrial Projects
  2. Post-Shipment Financing Loans
  3. Pre-Shipment Export Credit Guarantees

For further information explaining why the Department is investigating these programs, *see* Oman CVD Initiation Checklist.

We are not including in our investigation the following programs

alleged to benefit producers and exporters of the subject merchandise in Oman:

- A. Profit/Income Tax Exemption
- B. Export Credit Insurance

For further information explaining why the Department is not investigating these programs, *see* Oman CVD Initiation Checklist.

### III. UAE

We are including in our investigation the following programs alleged in the Petitions to have provided countervailable subsidies to producers and exporters of the subject merchandise in the UAE:

- A. Profit Tax Exemptions
- B. Tariff Exemptions on Imported Equipment, Spare Parts, and Building Materials
- C. Government Provision of Goods and Services for LTAR
  - 1. Electricity for LTAR
  - 2. Water for LTAR
  - 3. Land and/or Buildings for LTAR
- D. Preferential Lending
  - 1. Preferential Export Lending
  - 2. Dubai Commodity Receipts

For further information explaining why the Department is investigating these programs, *see* UAE CVD Initiation Checklist.

We are not including in our investigation the following program alleged to benefit producers and exporters of the subject merchandise in the UAE:

- A. Gas for LTAR

For further information explaining why the Department is not investigating this program, *see* UAE CVD Initiation Checklist.

### IV. Vietnam

We are including in our investigation the following programs alleged in the Petitions to have provided countervailable subsidies to producers and exporters of the subject merchandise in Vietnam:

- A. Policy Lending
  - 1. Preferential Lending for Exporters
  - 2. Preferential Lending to the Steel Industry
- B. Government Provision of Goods and Services for LTAR
  - 1. Land Rent Reduction or Exemption for Exporters
  - 2. Land Rent Reduction or Exemption for Foreign-Invested Enterprises (“FIEs”)
  - 3. Land Preferences for Enterprises in Encouraged Industries or Industrial Zones
  - 4. Provision of Water LTAR in Industrial Zones

- C. Grant Programs
  - 1. Export Promotion Program
  - 2. New Product Development Program
- D. Tax Programs
  - 1. Import Duty Exemptions for Imported Raw Materials for Exported Goods
  - 2. Income Tax Preferences for Encouraged Industries
  - 3. Income Tax Preferences for FIEs
  - 4. Exemption of Import Duties on Imports of Fixed Assets, Spare Parts and Accessories for Industrial Zones
  - 5. Income Tax Preferences for Enterprises in Industrial Zones
  - 6. Tax Refund for Reinvestment by FIEs
  - 7. Import Duty Preferences for FIEs
  - 8. Duty Exemptions on Goods for the Creation of Fixed Assets for Encouraged Projects
  - 9. Income Tax Preferences for Exporters

For further information explaining why the Department is investigating these programs, *see* Vietnam CVD Initiation Checklist.

### Respondent Selection

For these investigations, the Department expects to select respondents based on U.S. Customs and Border Protection (“CBP”) data for U.S. imports during the period of investigation under the following Harmonized Tariff Schedule of the United States (“HTSUS”) numbers: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, and 7306.30.50.90. These HTSUS numbers closely match the subject merchandise, and are those used by Petitioners to calculate aggregate import totals.<sup>3</sup> We intend to release the CBP data under Administrative Protective Order (“APO”) to all parties with access to information protected by APO within five days of publication of this **Federal Register** notice. Interested parties may submit comments regarding the CBP data and respondent selection within seven calendar days of publication of this notice. Comments should be filed electronically using IA ACCESS. An electronically filed document must be received successfully in its entirety by the Department’s electronic records system, IA ACCESS, by the time and date noted above. Documents excepted from the electronic submission requirements must be filed manually (i.e., in paper form) with the Import Administration’s APO/Dockets Unit, Room 1870, U.S. Department of

<sup>3</sup> See, e.g., Supplement to the AD/CVD Petitions at Attachment 3.

Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230, and stamped with the date and time of receipt by the deadline noted above. We intend to make our decision regarding respondent selection within 20 days of publication of this **Federal Register** notice.

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on the Department’s Web site at <http://ia.ita.doc.gov/apo>.

### Distribution of Copies of the Petitions

In accordance with section 702(b)(4)(A)(i) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to representatives of the Governments of India, Oman, the UAE, and Vietnam. Because of the large number of producers/exporters identified in the Petitions, the Department considers the service of the public version of the Petitions to the foreign producers/exporters satisfied by the delivery of the public versions of the Petitions to the Governments of India, Oman, the UAE, and Vietnam, consistent with 19 CFR 351.203(c)(2).

### ITC Notification

We have notified the ITC of our initiation, as required by section 702(d) of the Act.

### Preliminary Determinations by the ITC

The ITC will preliminarily determine, no later than 45 days after the date the Petitions were filed, whether there is a reasonable indication that imports of certain steel pipe from India, Oman, the UAE, and Vietnam are materially injuring, or threatening material injury to a U.S. industry. A negative ITC determination with respect to any country will result in the investigation being terminated for that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

### Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). On January 22, 2008, the Department published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in these investigations should ensure that they meet the requirements of these procedures (e.g., the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

Any party submitting factual information in a CVD proceeding must certify to the accuracy and completeness of that information. See section 782(b) of the Act. Parties are hereby reminded that revised certification requirements are in effect for company/government officials as well as their representatives in all segments of any AD/CVD proceedings initiated on or after March 14, 2011. See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings: Interim Final Rule*, 76 FR 7491 (February 10, 2011) (*Interim Final Rule*) (amending 19 CFR 351.303(g)(1) and (2)). The formats for the revised certifications are provided at the end of the *Interim Final Rule*. The Department intends to reject factual submissions in any proceeding segments initiated on or after March 14, 2011, if the submitting party does not comply with the revised certification requirements.

This notice is issued and published pursuant to section 777(i) of the Act.

Dated: November 15, 2011.

**Paul Piquado,**

*Assistant Secretary for Import Administration.*

## Appendix I

### *Scope of the Investigations*

These investigations cover welded carbon-quality steel pipes and tube, of circular cross-section, with an outside diameter ("O.D.") not more than 16 inches (406.4 mm), regardless of wall thickness, surface finish (*e.g.*, black, galvanized, or painted), end finish (plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (*e.g.*, American Society for Testing and Materials International ("ASTM"), proprietary, or other) generally known as standard pipe, fence pipe and tube, sprinkler pipe, and structural pipe (although subject product may also be referred to as mechanical tubing). Specifically, the term "carbon quality" includes products in which: (a) Iron predominates, by weight, over each of the other contained elements; (b) the carbon content is 2 percent or less, by weight; and (c) none of the elements listed below exceeds the quantity, by weight, as indicated:

- (i) 1.80 percent of manganese;
- (ii) 2.25 percent of silicon;
- (iii) 1.00 percent of copper;
- (iv) 0.50 percent of aluminum;
- (v) 1.25 percent of chromium;
- (vi) 0.30 percent of cobalt;
- (vii) 0.40 percent of lead;
- (viii) 1.25 percent of nickel;
- (ix) 0.30 percent of tungsten;
- (x) 0.15 percent of molybdenum;

- (xi) 0.10 percent of niobium;
- (xii) 0.41 percent of titanium;
- (xiii) 0.15 percent of vanadium;
- (xiv) 0.15 percent of zirconium.

Subject pipe is ordinarily made to ASTM specifications A53, A135, and A795, but can also be made to other specifications. Structural pipe is made primarily to ASTM specifications A252 and A500. Standard and structural pipe may also be produced to proprietary specifications rather than to industry specifications. Fence tubing is included in the scope regardless of certification to a specification listed in the exclusions below, and can also be made to the ASTM A513 specification. Sprinkler pipe is designed for sprinkler fire suppression systems and may be made to industry specifications such as ASTM A53 or to proprietary specifications. These products are generally made to standard O.D. and wall thickness combinations. Pipe multi-stenciled to a standard and/or structural specification and to other specifications, such as American Petroleum Institute ("API") API-5L specification, is also covered by the scope of these investigations when it meets the physical description set forth above, and also has one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50mm) in outside diameter; has a galvanized and/or painted (*e.g.*, polyester coated) surface finish; or has a threaded and/or coupled end finish.

The scope of these investigations does not include: (a) Pipe suitable for use in boilers, superheaters, heat exchangers, refining furnaces and feedwater heaters, whether or not cold drawn; (b) finished electrical conduit; (c) finished scaffolding;<sup>4</sup> (d) tube and pipe hollows for redrawing; (e) oil country tubular goods produced to API specifications; (f) line pipe produced to only API specifications; and (g) mechanical tubing, whether or not cold-drawn. However, products certified to ASTM mechanical tubing specifications are not excluded as mechanical tubing if they otherwise meet the standard sizes (*e.g.*, outside diameter and wall thickness) of standard, structural, fence and sprinkler pipe. Also, products made to the following outside diameter and wall thickness combinations, which are recognized by the industry as typical for fence tubing, would not be excluded from the scope based solely on their

<sup>4</sup> Finished scaffolding is defined as component parts of a final, finished scaffolding that enters the United States unassembled as a "kit." A "kit" is understood to mean a packaged combination of component parts that contain, at the time of importation, all the necessary component parts to fully assemble a final, finished scaffolding.

being certified to ASTM mechanical tubing specifications:

- 1.315 inch O.D. and 0.035 inch wall thickness (page 20)
- 1.315 inch O.D. and 0.047 inch wall thickness (page 18)
- 1.315 inch O.D. and 0.055 inch wall thickness (page 17)
- 1.315 inch O.D. and 0.065 inch wall thickness (page 16)
- 1.315 inch O.D. and 0.072 inch wall thickness (page 15)
- 1.315 inch O.D. and 0.083 inch wall thickness (page 14)
- 1.315 inch O.D. and 0.095 inch wall thickness (page 13)
- 1.660 inch O.D. and 0.047 inch wall thickness (page 18)
- 1.660 inch O.D. and 0.055 inch wall thickness (page 17)
- 1.660 inch O.D. and 0.065 inch wall thickness (page 16)
- 1.660 inch O.D. and 0.072 inch wall thickness (page 15)
- 1.660 inch O.D. and 0.083 inch wall thickness (page 14)
- 1.660 inch O.D. and 0.095 inch wall thickness (page 13)
- 1.660 inch O.D. and 0.109 inch wall thickness (page 12)
- 1.900 inch O.D. and 0.047 inch wall thickness (page 18)
- 1.900 inch O.D. and 0.055 inch wall thickness (page 17)
- 1.900 inch O.D. and 0.065 inch wall thickness (page 16)
- 1.900 inch O.D. and 0.072 inch wall thickness (page 15)
- 1.900 inch O.D. and 0.095 inch wall thickness (page 13)
- 1.900 inch O.D. and 0.109 inch wall thickness (page 12)
- 2.375 inch O.D. and 0.047 inch wall thickness (page 18)
- 2.375 inch O.D. and 0.055 inch wall thickness (page 17)
- 2.375 inch O.D. and 0.065 inch wall thickness (page 16)
- 2.375 inch O.D. and 0.072 inch wall thickness (page 15)
- 2.375 inch O.D. and 0.095 inch wall thickness (page 13)
- 2.375 inch O.D. and 0.109 inch wall thickness (page 12)
- 2.375 inch O.D. and 0.120 inch wall thickness (page 11)
- 2.875 inch O.D. and 0.109 inch wall thickness (page 12)
- 2.875 inch O.D. and 0.134 inch wall thickness (page 10)
- 2.875 inch O.D. and 0.165 inch wall thickness (page 8)
- 3.500 inch O.D. and 0.109 inch wall thickness (page 12)
- 3.500 inch O.D. and 0.148 inch wall thickness (page 9)
- 3.500 inch O.D. and 0.165 inch wall thickness (page 8)
- 4.000 inch O.D. and 0.148 inch wall thickness (page 9)

4.000 inch O.D. and 0.165 inch wall  
thickness (gage 8)

4.500 inch O.D. and 0.203 inch wall  
thickness (gage 7)

The pipe subject to these investigations are currently classifiable in Harmonized Tariff Schedule of the United States ("HTSUS") statistical reporting numbers 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5050, and 7306.50.5070. However, the product description, and not the HTSUS classification, is dispositive of whether the merchandise imported into the United States falls within the scope of the investigations.

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