



FACT SHEET

Commerce Preliminarily Finds Countervailing Duties on Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China

- On July 1, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation on imports of circular welded austenitic stainless pressure pipe (stainless pressure pipe) from the People's Republic of China (China). Stainless pressure pipe is a commodity product generally used as a conduit for liquids or gasses.
- Subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce preliminarily determined that Chinese producers/exporters have received net countervailable subsidies ranging from 1.47 to 106.85 percent.
- Winner Stainless Steel Tube Co. Ltd., the sole participating respondent, received a preliminary rate of 1.47 percent. Froch Enterprise Co. Ltd., the other mandatory respondent, has not cooperated in the investigation and received a preliminary rate of 106.85 percent, based on adverse facts available. All other Chinese exporters received a preliminary rate of 1.47 percent.
- As a result of this preliminary determination, Commerce will instruct U.S. Customs and Border Protection to suspend liquidation of entries of subject merchandise and to collect a cash deposit or bond based on these preliminary rates.
- The petitioners for this investigation are Bristol Metals, L.P. (TN), Felker Brothers Corporation (WI), Marcegaglia USA, Inc. (PA), Outokumpu Stainless Pipe, Inc. (IL), and the United Steelworkers of America (PA).
- The merchandise covered by each of these investigations is stainless pressure pipe not greater than 14 inches in outside diameter. This merchandise includes, but is not limited to, the American Society for Testing and Materials (ASTM) A-312 or ASTM A-778 specifications, or comparable domestic or foreign specifications.
- Stainless pressure pipe is classifiable under subheadings 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085 of the Harmonized Tariff Schedule of the United States (HTSUS). It may also enter under HTSUS subheadings 7306.40.1010, 7306.40.1015, 7306.40.5042, 7306.40.5044, 7306.40.5080, and 7306.40.5090. While HTSUS subheadings are provided for convenience and customs purposes, Commerce's written description of the scope of this investigation is final and conclusive.
- Excluded from the scope are: (1) welded stainless mechanical tubing, meeting ASTM A-554 or comparable domestic or foreign specifications; (2) boiler, heat exchanger, super heater,

refining furnace, feed water heater, and condenser tubing, meeting ASTM A-249, ASTM A-688 or comparable domestic or foreign specifications; and (3) specialized tubing, meeting ASTM A-269, ASTM A-270 or comparable domestic or foreign specifications.

NEXT STEPS

- Commerce is currently scheduled to make its final determination in November 2008.
- If Commerce makes a final determination that Chinese producers/exporters have received countervailable subsidies in this investigation, and the U.S. International Trade Commission makes a final affirmative determination that imports from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a countervailing duty order.

PRELIMINARY COUNTERVAILABLE SUBSIDY RATE:

PRODUCER/EXPORTER	SUBSIDY RATE
Froch Enterprise Co. Ltd.	106.85%
Winner Stainless Steel Tube Co. Ltd.	1.47%
All Others	1.47%

CASE CALENDAR:

EVENT	DATE
Petition Filed	January 30, 2008
DOC Initiation Date	February 19, 2008
ITC Preliminary Determination	March 17, 2008
DOC Preliminary Determination	June 30, 2008
DOC Final Determination*	November 10, 2008
ITC Final Determination**	December 26, 2008
Issuance of Order***	January 2, 2009

* This deadline may be extended under the governing statute.

** This will take place only in the event of a final affirmative determination by Commerce.

*** This will take place only in the event of final affirmative determinations by both Commerce and the ITC.

IMPORT STATISTICS:

CHINA	2005	2006	2007
Volume (kilograms)	12,693,855	21,062,867	27,521,135
Value (\$US)	43,768,040	73,840,139	147,897,652

Source: U.S. International Trade Commission, Dataweb (HTSUS 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, 7306.40.5085)