Certain Welded Stainless Steel Pipe From Korea and Taiwan

Investigation Nos. 731-TA-540 and 541 (Second Review)

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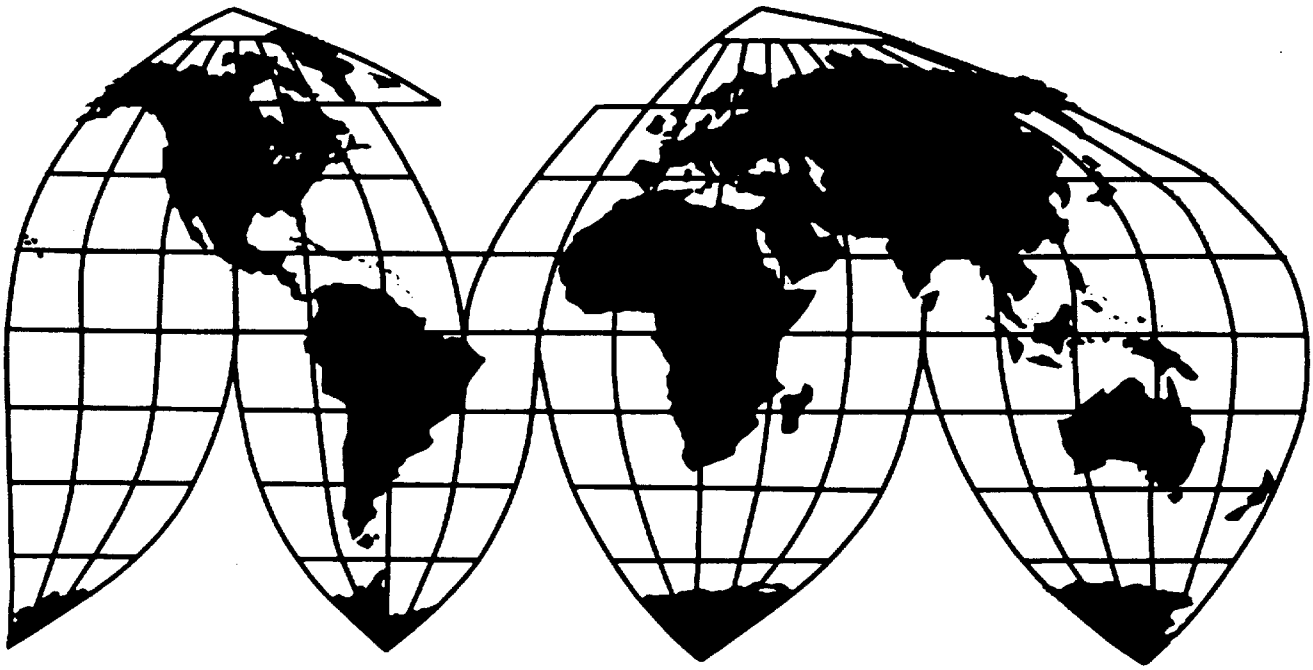
U.S. International Trade Commission



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Note.--Information that would reveal confidential operations of the individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 731-TA-540 and 541 (Second Review)

CERTAIN WELDED STAINLESS STEEL PIPE FROM KOREA AND TAIWAN

DETERMINATION

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the antidumping duty orders on welded ASTM A-312 stainless steel pipe from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted these reviews on September 1, 2005 (70 FR 52124) and determined on December 5, 2005, that it would conduct full reviews (70 FR 73452, December 12, 2005). Notice of the scheduling of the Commission's reviews and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on February 16, 2006 (71 FR 8311). The hearing was held in Washington, DC, on June 20, 2006, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Act"), that revocation of the antidumping duty orders on welded ASTM A-312 stainless steel pipe ("welded ASTM A-312 pipe") from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. BACKGROUND

On December 18, 1992, the Commission determined that an industry in the United States was being materially injured by reason of less than fair value (LTFV) imports of welded ASTM A-312 pipe from Korea and Taiwan.[1] On December 30, 1992, Commerce issued antidumping duty orders on imports of welded ASTM A-312 pipe from Korea and Taiwan.[2]

In September 2000, the Commission determined that revocation of the antidumping duty orders covering the welded ASTM A-312 pipe from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[3] On October 16, 2000, Commerce published notice of continuation of the antidumping duty orders on welded ASTM A-312 pipe from Korea and Taiwan.[4]

On September 1, 2005, the Commission instituted these five-year reviews, pursuant to section 751(c) of the Act, to determine whether revocation of the antidumping duty orders on welded ASTM A-312 pipe from Korea and Taiwan would likely lead to continuation or recurrence of material injury within a reasonably foreseeable time.[5] Two domestic producers, Bristol Metals L.P. and Marcegaglia U.S.A., Inc. (collectively herein "Domestic Producers"), filed adequate responses to the notice of institution. On December 5, 2005, the Commission found the domestic interested party group response was adequate. Because no responses were received from any respondent interested parties, the Commission found the respondent interested party group response was inadequate. However, the Commission further determined that circumstances warranted conducting a full review, based on possible changes in the conditions of competition in the U.S. market, most notably the increased presence of non-subject imports.[6]

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[1] Certain Welded Stainless Steel Pipes from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-540-541 (Final) USITC Pub. 2585 (Dec. 1992) ("Original Determination") (Commissioners Brunsdale and Crawford dissenting with respect to Korea; Commissioner Brunsdale dissenting with respect to Taiwan; Commissioner Crawford not participating with respect to Taiwan, although she cumulated imports from Taiwan and Korea in the Korean investigation).

[2] 57 Fed. Reg. 62300 (Dec. 30, 1992).

[3] Certain Welded Stainless Steel Pipe from Korea and Taiwan, Inv. Nos. 731-TA-540 and 541 (Review), USITC Pub. 3351 (Sept. 2000) ("2000 Sunset Determination") (Commissioner Askey dissenting with respect to Korea).

[4] 65 Fed. Reg. 61143 (Oct. 16, 2000).

[5] 70 Fed. Reg. 52124 (Sept. 1, 2005).

[6] See Explanation of Commission Determination on Adequacy in Certain Welded Stainless Steel Pipe from Korea and Taiwan, Inv. Nos. 731-TA-540 and 541 (Second Review) (Commissioners Hillman, Koplan, and Aranoff dissented and voted to conduct expedited reviews) reprinted in Confidential Report (CR)/ Public Report (PR), Appendix A. The Commission's Confidential Report was revised by Memorandum INV-DD-109 (July 20, 2006). All revisions are reflected in these Views and incorporated in the Public Report.

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

In making its determination under section 751(c) of the Act, the Commission defines "the domestic like product" and the "industry."[7] The Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."[8] The Commission's practice in five-year reviews is to examine the like product definition in the original determination and any previous reviews and consider whether the record indicates any reason to revisit the appropriate domestic like product definition.[9] In these reviews, the Commission had extensive information in the record for its consideration of the domestic like product. Based on the record in these reviews, we find it appropriate to revisit and revise the original definition of the domestic like product. We find that the domestic product like or most similar in characteristics and uses with the subject merchandise is welded ASTM A-312 and A-778 stainless steel pipes.

A. Domestic Like Product

In its final expedited five-year review determination, Commerce described the scope of imported merchandise subject to the orders under review as:

> WSSP [welded ASTM A-312 stainless steel pipe] that meets the standards and specifications set forth by the American Society for Testing and Materials ("ASTM") for the welded form of chromium-nickel pipe designated ASTM A-312. The merchandise covered by the scope of each order also includes austenitic welded stainless steel pipes made according to the standards of other nations, which are comparable to ASTM A-312. WSSP is produced by forming stainless steel flat-rolled products into a tubular configuration and welding along the seam. WSSP is a commodity product generally used as a conduit to transmit liquids or gases. Major applications for steel pipe include, but are not limited to, digester lines, blow lines, pharmaceutical lines, petrochemical stock lines, brewery process and transport lines, general food processing lines, automotive paint lines, and paper process machines.[10]

In its original determinations, the Commission defined the domestic like product to encompass a category of pipes and tubes broader than Commerce's original and current scope description (which was limited to welded ASTM A-312 stainless steel pipe). The domestic like product was defined to include all welded stainless steel pipes and pressure tubes ("WSS pipes and pressure tubes"), excluding grade 409

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[7] 19 U.S.C. § 1677(4)(A).

[8] 19 U.S.C. § 1677(10).

[9] See, e.g., Internal Combustion Industrial Forklift Trucks from Japan, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (December 2005); Crawfish Tail Meat from China, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (February 2003); see also Petroleum Wax Candles from China, Inv. No. 731-TA-282 (Second Review), USITC Pub. 3790 (July 2005) at 7-9; Greige Polyester/Cotton Printcloth from China, Inv. No. 731-TA-101 (Second Review), USITC Pub. 3776 (May 2005) at 6 (noting "more extensive information"). The CIT has affirmed this approach, noting that while the statute requires that the prior determination be taken into account, the prior determination is not controlling. See Timken Co. v. United States, 264 F. Supp. 2d 1264, 1274 (Ct. Int'l Trade 2003) (While they must be taken into account, "findings from the original investigations are by no means dispositive" and "neither the statute nor its legislative history directs the ITC to distinguish every factor of its original investigation findings from those made in a sunset review determination.").

[10] 71 Fed. Reg. 96 (Jan. 3, 2006).

tubes and mechanical tubes (also know as ornamental tubes).[11] Thus, in addition to welded ASTM A-312 stainless steel pipe, the domestic like product included such tubular products as ASTM A-778 and A-358 pipes and ASTM A-249, A-269 and A-270 pressure tubes.

In its first five-year reviews, the Commission found no significant changes in the products at issue or in the factors it considers, nor any other appropriate circumstance that warranted revisiting the Commission's original like product determination. Therefore, the Commission once again defined the domestic like product as all WSS pipes and pressure tubes.[12]

During the current reviews, Domestic Producers indicated that the definition of the domestic like product should be narrowed to include only welded A-312 and A-778 pipes, and exclude all tubes (e.g., ASTM A-249 and A-269) as well as ASTM A-358 and other pipes.[13] According to Domestic Producers, welded A-312 and A-778 pipes can be distinguished from other more specialized pipe and tube products on the basis of different physical characteristics and uses, production lines, producer and purchaser perceptions, and channels of distribution, as well as the lack of interchangeability.[14]

Commerce has described the scope of imported subject merchandise as welded ASTM A-312 stainless steel pipe. In determining what domestic product is like the imported articles Commerce has identified, the Commission generally considers a number of factors including: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) common manufacturing facilities, production processes and production employees; (5) customer or producer perceptions; and, where appropriate, (6) price.[15]

Physical Characteristics and Uses. Most stainless steel pipes and tubes are produced to conform to one or more of the standard ASTM specifications.[16] The ASTM specifications for the product range of WSS pipes and pressure tubes include A-312, A-778, A-409, and A-358 for pipes, and A-249, A-269, and A-270 for pressure tubes.[17]

Welded A-312 pipe, which is the most common specification for stainless steel pipes, requires straight-seam welds without the use of filler metal in the weld, and annealing after welding. Welded A-312 pipe is designed for high temperature and general corrosive service and is used in digester lines, pharmaceutical production lines, petrochemical stock lines, automotive paint lines, and various processing lines, such as those in breweries, paper mills, and general food facilities.[18] ASTM A-778 pipe is similar to welded A-312 pipe, but differs in that post-weld annealing of the pipe is not required. Thus, ASTM A-778 pipe is produced only in grades that are least susceptible to corrosion in the heat-affected zone surrounding the weld of the pipe. ASTM A-778 pipe is used most often in the pulp/paper industry and for

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[11] Original Determination, USITC Pub. 2585 at 7-17. In the original investigations, petitioners argued that the Commission should define the domestic like product coextensive with the scope and not include non-welded A-312 pipes, pressure tubes, mechanical tubes, or grade 409 tubes. Respondents, on the other hand, maintained that the domestic like product should include all welded stainless steel pipes and tubes.

[12] 2000 Sunset Determination, USITC Pub. 3351 at 4-5.

[13] Hearing Tr. at 48-49; Domestic Producers' Posthearing Brief at 1-10; Domestic Producers' Final Comments at 4. Domestic Producers contend that "[o]nly A-312 and A-778 are true pressure pipe products, the other products are more specialized tubing products that tend to be made more for end users' requirements." Domestic Producers' Posthearing Brief at 4.

[14] Hearing Tr. at 48-49; Domestic Producers' Posthearing Brief at 1-10.

[15] See The Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995). No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation. The Commission looks for clear dividing lines among possible like products, and disregards minor variations. See, e.g., S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), aff'd 938 F.2d 1278 (Fed. Cir. 1991).

[16] WSS pipes and pressure tubes generally are produced in either of two common grades of stainless steel, 304/304L or 316/316L. CR at I-26; PR at I-19.

[17] See CR at I-19-20 and I-26-28; PR at I-15-16 and I-19-20.

[18] CR at I-20; PR at I-15.

wastewater applications, as well as in corn processing (to ethanol) and low-pressure fluid transfer systems.[19]

In contrast to welded A-312 and A-778 pipes for which no filler metal is used, ASTM A-358 pipe must meet particularly stringent requirements and is welded using consumable stainless steel welding rods. A-358 pipe is used in critical applications where failure of the weld might have serious consequences, such as in nuclear power plants and liquified natural gas facilities. Thus, ASTM A-358 pipe is more extensively tested, using x-ray radiography to assure the soundness of the weld.[20]

WSS pressure tubes (ASTM A-249, A-269, and A-270) are generally limited to sizes up to six inches in outside diameter and generally have tighter tolerances (less variation in wall thickness or diameter) than welded A-312 and A-778 pipes. Pressure tubes must be annealed after welding and, in some cases, cold working or planishing of the weld is also required. ASTM A-270 pressure tube, which is used in the dairy and food industries, must have a polished finish on either the inside or outside of the tube, or both. ASTM A-249 and A-269 tubes are used primarily in heating and cooling apparatuses, such as heat exchangers, condensers, boilers, and feed water heaters. Moreover, while welded A-312 and A-778 pipes are produced in a limited number of standard sizes, tubing may be of any size and wall thickness.[21]

While all WSS pipes and pressure tubes are used to convey liquids or gases, the physical characteristics and uses of welded A-312 pipe are similar to those of ASTM A-778 pipe and differ in many respects from those for other WSS pipes and pressure tubes, including ASTM A-358 pipe and ASTM A-249, A-269, and A-270 pressure tubes.

Interchangeability. Welded A-312 pipe is interchangeable with, and regarded by producers and purchasers as substitutable for, ASTM A-778 pipe.[22] However, the interchangeability is one-way because ASTM A-778 pipe is not annealed after welding. ASTM A-358 pipe generally may be used in place of welded A-312 and A-778 pipes, but the higher price of the ASTM A-358 pipe may not make this commercially viable. This interchangeability is also one-way, because welded A-312 and A-778 pipes have not been x-ray tested or welded using filler metal, both of which are required for applications using ASTM A-358 pipe. The incompatibility of sizes and differences in diameter and thickness tolerances limits the interchangeability of WSS pressure tubes and welded A-312 and A-778 pipes. In particular, welded A-312 and A-778 pipes cannot be used in place of ASTM A-249 or A-269 tubes in heat exchangers. In some other limited applications where heat exchange capabilities are not involved, welded A-312 pipe could be used in place of ASTM A-249/269 and A-270 tubes, particularly if the price differential makes welded A-312 pipe an attractive alternative.

Channels of Distribution. Welded A-312 and A-778 pipes, which are considered to be commodity products, are sold nearly exclusively through distributors.[23] On the other hand, the other WSS piping and pressure tubing products (e.g., ASTM A-249, A-269, A-270, and A-358), which are often produced for critical applications or on a job-specific basis, are sold either through distributors or directly to end users in nearly equal proportions.[24]

Common Manufacturing Facilities. WSS pipes and pressure tubes generally are made in the same manner – forming the tubular shape by either the "continuous-mill" process or the "press-brake" process, and welding the product.[25] The same facilities, workers, and even production lines can be used to produce welded A-312 and A-778 pipes (except that ASTM A-778 pipe does not require the annealing

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[19] CR at I-20 and I-26-27; PR at I-15 and I-19-20.

[20] CR at I-20 and I-27; PR at I-15 and I-20.

[21] CR at I-20-21 and I-27-28; PR at I-16 and I-20.

[22] See CR at I-20 and I-28-29; PR at I-15 and I-20-21.

[23] See CR at I-29 (as revised by Memorandum INV-DD-109, July 20, 2006) and Tables I-3 and II-1; PR at I-21 and Tables I-3 and II-1.

[24] See CR at I-29 (as revised by Memorandum INV-DD-109, July 20, 2006) and Tables I-3 and II-1; PR at I-21 and Tables I-3 and II-1.

[25] See CR at I-21-22 and I-29-31; PR at I-16-17 and I-22.

step). While most producers of welded A-312 pipe also produce some WSS pressure tubes, they generally produce those tubes on different production lines using separate equipment than that used for pipe.[26]

Customer and Producer Perceptions. Producers, in general, view welded A-312 and A-778 pipes as commodity products, because they generally are produced on a continuous basis, marketed exclusively through distributors, and sold primarily on the basis of price.[27] WSS pressure tubes, on the other hand, often are made to an end user's specifications, and are produced on an as-needed basis for specific project needs. In noting the differences between WSS pipes and pressure tubes, purchasers mention the tighter tolerances for tubing, the differences in sizes, and the differences in end-use applications. Purchasers report that, although welded A-312 and A-778 pipes perform similar functions to WSS pressure tubes, they cannot be used interchangeably.[28] Thus, producers and purchasers perceive clear differences between welded A-312 and A-778 pipes and ASTM A-249/269/270 pressure tubes.

Price. Prices for welded A-312 pipe reportedly are lower than prices for ASTM A-358 pipe, as well as for ASTM A-249/269/270 pressure tubes.[29] Prices for ASTM A-778 pipe, which do not require the additional production step of annealing, reportedly are lower than prices for welded A-312 pipe. Domestic Producers contend that because WSS pressure tubes (ASTM A-249 and A-269) have different applications, end users and specifications, their prices are not affected by the prices for welded A-312 pipe and vice versa.[30]

Conclusion. The evidence in these reviews demonstrates that welded A-312 pipe is similar to ASTM A-778 pipe. Both types have differences in physical characteristics and uses, manufacturing facilities, and customer and producer perceptions, as well as limited interchangeability and some differences in channels of distribution and price, with other WSS pipe and pressure tubes. Thus, based on the extensive record in these five-year reviews, we find that a change from the original definition of the domestic like product is appropriate. We define the domestic like product as welded ASTM A-312 and A-778 stainless steel pipes (collectively referred herein as "welded A-312 pipe").

B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant industry as the domestic "producers as a [w]hole 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."[31] As discussed above, we find that the record in these reviews warrants revising the original definition of the domestic like product. Therefore, we also make a corresponding change to our definition of the domestic industry, which we define as all U.S. producers of welded ASTM A-312 and A-778 stainless steel pipes.[32]

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[26] See CR at I-21-22 and I-29-31; PR at I-16-17 and I-22.

[27] See CR at 1-31; PR at I-22-23.

[28] CR at I-31; PR at I-22-23.

[29] See CR at I-32 and Appendix E; PR at I-23 and Appendix E; Domestic Producers' Posthearing Brief at 9-10.

[30] Domestic Producers' Posthearing Brief at 9-10; Hearing Tr. at 71 and 72.

[31] 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

[32] There are no related party issues in these reviews. In these reviews, the Commission has trade (production, shipments, capacity) and financial performance data compiled for domestic welded A-312 and A-778 pipe production separate from data for the broader WSS pipe and pressure tube industry. See CR/PR at Tables III-1 - III-4 for trade data and Table C-4 (Welded A-312 and A-778 pipes) for trade and financial data. We note that the domestic industry data in these reviews and in the original determinations and prior reviews may not be comparable because separate data on the welded A-312 and A-778 pipe industry may not have been reported or were less complete in the original determinations or prior reviews.

III. CUMULATION

A. Framework

Section 752(a) of the Act provides that:

> the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[33]

Thus, cumulation is discretionary in five-year reviews. The Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[34] We note that neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[35] With respect to this provision, the Commission generally considers the likely volume of the subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.[36]

The Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product.[37] Only a "reasonable overlap" of competition is required.[38] In five-year reviews, the relevant inquiry is whether

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[33] 19 U.S.C. § 1675a(a)(7).

[34] 19 U.S.C. § 1675a(a)(7).

[35] SAA, H.R. Rep. No. 103-316, vol. I (1994).

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

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

[38] See Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (Ct. Int'l Trade 1996); Wieland Werke, AG, 718 F. Supp. at 52 ("Completely overlapping markets are not required."); United States Steel Group v. United States, 873 F. Supp. 673, 685 (Ct. Int'l Trade 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. See, e.g., Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 (Preliminary) and

(continued...)

there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market. Moreover, because of the prospective nature of five-year reviews, we have examined not only the Commission's traditional competition factors, but also other significant conditions of competition that are likely to prevail if the orders under review are terminated. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.[39]

In the current five-year reviews, the statutory requirement for cumulation that all reviews be initiated on the same day is satisfied, as both reviews were initiated on September 1, 2005.[40]

In the original investigations, the Commission cumulated subject imports from Korea and Taiwan for purposes of its material injury analysis. The parties did not dispute the appropriateness of cumulation. The Commission found that Taiwan, Korean, and domestic A-312 pipe products were fungible since they all met the same ASTM specifications and generally were sold as commodity products, were sold throughout the United States, were sold through the same channels of distribution, and were simultaneously present in the market.[41]

In the first five-year reviews, the Commission exercised its discretion by again cumulating subject imports from Korea and Taiwan on the basis that there likely would be a reasonable overlap of competition in the absence of the orders[42] and that the likely similarities in conditions of competition outweighed any differences asserted by Korean respondents.[43]

In these reviews, Domestic Producers contend that the record "continues to strongly support the appropriateness of cumulation of subject imports" and that "subject foreign producers do not exhibit any differences in circumstances of competition."[44]

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[38] (...continued)
731-TA-812-813 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), aff'd sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States, 74 F. Supp. 2d 1353 (Ct. Int'l Trade 1999); Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-761-762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

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

[40] 70 Fed. Reg. 52124 (September 1, 2005).

[41] Original Determination, USITC Pub. 2585 at 22-23.

[42] Regarding a reasonable overlap in competition, the Commission found that the record in the first five-year reviews was similar to that in the original investigations, i.e., subject imports and the domestic product were relatively fungible, were sold throughout the United States, were sold to distributors, and were simultaneously present in the market. 2000 Sunset Determination, USITC Pub. 3351 at 9-10.

[43] Regarding the likely similarities in conditions of competition, the Commission found that subject imports from Korea and Taiwan not only had maintained their presence in the U.S. market, but also had increased during the review period. In addition, subject imports were used interchangeably with each other and the domestic like product, and there was substantial capacity to produce subject merchandise in both Korea and Taiwan. 2000 Sunset Determination, USITC Pub. 3351 at 9-10.

[44] Domestic Producers' Prehearing Brief at 3-7.

B. Likely Discernible Adverse Impact

Our review of the record indicates that there is no basis for concluding that revocation of either of the welded ASTM-312 pipe orders would likely have no discernible adverse impact on the domestic industry.

During the period of review, subject imports from both Korea and Taiwan have remained in the U.S. market.[45] The information available indicates that the welded A-312 pipe industry in each of these subject countries has significant production capacity, considerable unused capacity, and is export-oriented. While no Korean producer reported data to the Commission on its welded A-312 pipe operations during the current five-year review, Korean capacity utilization was 58.8 percent in 1999, down from *** in 1991 at the end of the original investigation.[46] Moreover, in the first five-year review, Korean welded A-312 pipe producers reported exporting 70.7 percent to 91.6 percent of their production from 1997 to 1999.[47] The sole Taiwan producer that provided data to the Commission on its welded ASTM A-312 pipe operations during the current five-year review reported capacity utilization ranging from *** in 2002 to *** in 2005.[48] During 2005, exports accounted for *** of this producer's total shipments.[49]

As discussed further below, welded A-312 pipe, regardless of source, is produced to standard specifications.[50] Domestically produced welded A-312 pipe is highly substitutable with imports from each of the subject countries.[51] Consequently, sustained underselling, which is evident from the facts available,[52] by even relatively small volumes of dumped or subsidized imports would be likely to have significant price-depressing or -suppressing effects. In light of these factors, we cannot conclude that revocation of either of the individual antidumping duty orders on welded A-312 pipe from Korea or Taiwan will likely have no discernible adverse impact.

C. Likelihood of a Reasonable Overlap of Competition

With regard to likely overlap of competition, we note that the relevant inquiry is whether there would likely be competition even if there are no current imports from a subject country.[53] Further, only a "reasonable overlap" of competition is required.[54] We next analyze the four factors the Commission typically examines in determining whether there will be a likely overlap of competition.

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[45] The quantity of subject imports from Korea has increased each year during the period of review, from 2,403 short tons in 2000 to 5,716 short tons in 2005. CR/PR at Tables IV-1 and C-4. The market penetration of subject imports from Korea increased steadily from 2.9 percent in 2000 to 7.3 percent in 2005. CR/PR at Table C-4. The quantity of subject imports from Taiwan has fluctuated between years and declined over the period of review, from *** in 2000 to *** in 2005. CR/PR at Tables IV-1 and C-4. The market penetration of subject imports from Taiwan declined from *** in 2000 to *** in 2005. CR/PR at Table C-4.

[46] CR at IV-10; PR at IV-9-10; 2000 Sunset Determination, USITC Pub. 3351 at Table IV-2; Original Determination, Confidential Report and USITC Pub. 2585 at Table 15 (covering a reported 95 percent of Korean production).

[47] 2000 Sunset Determination, USITC Pub. 3351 at Table IV-2.

[48] CR/PR at Table IV-5. This Taiwan producer estimates that it accounts for *** of welded A-312 pipe production in Taiwan. CR at IV-13; PR at IV-11.

[49] CR/PR at Table IV-5.

[50] CR at I-26 and II-12-13; PR at I-19 and II-7.

[51] See CR at II-12; PR at II-7.

[52] CR/PR at Tables V-2 - V-6 and Figures V-5 - V-8.

[53] See generally Chefline Corp. v. United States, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002).

[54] See Mukand Ltd. v. United States, 937 F. Supp. 910, 917 (Ct. Int'l Trade 1996).

Fungibility. Welded ASTM A-312 is generally manufactured to standard specifications established by ASTM.[55] The evidence indicates that there is a very high degree of substitution between domestically produced welded ASTM A-312 pipe and welded ASTM A-312 pipe from Korea and Taiwan.[56] Substantial majorities of all types of market participants found domestically produced product to be always interchangeable with welded A-312 pipe from Korea and Taiwan.[57] A majority of market participants who compared subject imports from different sources also found them to be always interchangeable.[58] Purchasers compared various characteristics of domestically produced WSS pipes and pressure tubes and imports of welded ASTM A-312 pipe from Korea and Taiwan.[59] In comparisons with subject imports from Taiwan, a majority of purchasers found the U.S. product to be superior in the characteristics of product availability and product range. Majorities or pluralities found the U.S. product, on the one hand, and the Korean and Taiwan products, on the other, comparable in other non-price characteristics.[60]

Geographic Overlap. The market for WSS pipes and tubes is not limited by geography. Nine of 11 responding U.S. producers reported nationwide sales.[61] Several importers sell nationwide, or in multiple regions.[62] Similarly, in both the original investigations and prior reviews, U.S. producers and importers reported that the United States was the geographic market area in which they competed.

Channels of Distribution. During the period of review, nearly all of domestically produced welded A-312 pipe and the subject imports from Korea were sold by distributors.[63] This is the same distribution pattern observed in the original investigations and prior reviews.

Simultaneous Presence. Between 2000 and 2005, subject imports of welded ASTM A-312 pipe from Korea and Taiwan entered the U.S. market in 72 of 72 months.[64]

Conclusion. The record indicates that the likely reasonable overlap in competition criteria are satisfied. Both domestically produced welded A-312 pipe and subject imports from all sources are fungible, are primarily sold to distributors, have geographic overlaps in sales, and have been simultaneously present in the U.S. market during the entire period of review. We consequently conclude that subject imports from Korea and Taiwan will likely compete with each other and with the domestic like product should the orders under review be revoked.

D. Other Considerations

In determining whether to exercise our discretion to cumulate subject imports of welded ASTM A-312 pipe from Korea and Taiwan, we assess whether the subject imports from each country are likely to compete under similar or different conditions of competition in the U.S. market. Domestic Producers contend that there are no appreciable differences between the subject countries in likely conditions of

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[55] CR at I-19 and I-26; PR at I-15 and I-19.

[56] CR at II-12 and II-19-21; PR at II-7 and II-12-14.

[57] CR/PR at Table II-5.

[58] CR/PR at Table II-5.

[59] Purchasers also compared these same characteristics of domestically produced WSS pipe and tube and imports of welded ASTM A-312 pipe from China. See CR/PR at Table II-4.

[60] CR/PR at Table II-4.

[61] CR/PR at II-1.

[62] CR/PR at II-1.

[63] CR/PR at Table II-1. In 2005, 97.6 percent of U.S. producers' U.S. shipments of welded A-312 pipe and all such shipments of ASTM A-778 pipe, as well as *** of subject imports from Korea, were sold to distributors. The only data reported regarding U.S. imports of welded A-312 pipe from Taiwan are for non-subject Taiwan pipe in 2000 and 2001; *** of these imports were sold to distributors. CR/PR at Tables I-3 and II-1.

[64] CR/PR at IV-8, n. 4.

competition.[65] The record in these reviews does not indicate that there are likely to be any significant differences in conditions of competition between subject welded A-312 pipe imports from Korea and Taiwan. We consequently exercise our discretion to cumulate subject imports from Korea and Taiwan.

IV. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF ANTIDUMPING DUTY ORDERS ARE REVOKED

A. Legal Standards

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur, and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[66] The SAA states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[67] Thus, the likelihood standard is prospective in nature.[68] The U.S. Court of International Trade has found that "likely," as used in the sunset review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[69] [70] [71]

The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[72] According to

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[65] Domestic Producers' Prehearing Brief at 3-7.

[66] 19 U.S.C. § 1675a(a).

[67] SAA at 883-84. The SAA states that "[t]he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." SAA at 883.

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

[69] See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int'l Trade 2003) ("'likely' means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)"), aff'd without opinion, 140 Fed.Appx. 268 (Fed. Cir. 2005); Nippon Steel Corp. v. United States, 26 CIT 1416, 1419 (2002) (same); Usinor Industeel, S.A. v. United States, 26 CIT 1402, 1404 nn.3, 6 (2002) ("more likely than not" standard is "consistent with the court's opinion"; "the court has not interpreted 'likely' to imply any particular degree of 'certainty'"); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int'l Trade Sept. 4, 2002) ("standard is based on a likelihood of continuation or recurrence of injury, not a certainty"); Usinor v. United States, 26 CIT 767, 794 (2002) ("'likely' is tantamount to 'probable,' not merely 'possible'").

[70] For a complete statement of Commissioner Okun's interpretation of the likely standard, see Additional Views of Vice Chairman Deanna Tanner Okun Concerning the "Likely" Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Argentina, Brazil, Germany, and Italy, Inv. Nos. 701-TA-362 (Review) and 731-TA-707-710 (Review)(Remand), USITC Pub. 3754 (Feb. 2005).

[71] Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004), she does not concur with the U.S. Court of International Trade's interpretation of "likely," but she will apply the Court's standard in this review and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses this issue.

[72] 19 U.S.C. § 1675a(a)(5).

the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis in original investigations."[73] [74]

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated."[75] It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[76]

The statute provides that the Commission may "use the facts otherwise available" in making its determination.[77] We have relied on the facts otherwise available in these reviews, which consist primarily of information from the original investigations and the first five-year reviews, information submitted in these second reviews by the domestic interested parties, one Taiwan producer, and importers, as well as official Commerce statistics.[78]

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

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

[75] 19 U.S.C. § 1675a(a)(1).

[76] 19 U.S.C. § 1675a(a)(1). There have been no duty absorption findings by Commerce with respect to the orders under review. The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[77] 19 U.S.C. § 1677e(a) authorizes the Commission to "use the facts otherwise available" in reaching a determination when: (1) necessary information is not available on the record or (2) an interested party or any other person withholds information requested by the agency, fails to provide such information in the time or in the form or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to 19 U.S.C. § 1677m(i).

[78] Commissioner Okun notes that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. 19 U.S.C. § 1677e. She generally gives credence to the facts supplied by the participating parties and certified by them as true, but bases her decision on the evidence as a whole, and does not automatically accept participating parties' suggested interpretations of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. "In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive." SAA at 869.

In evaluating the likely volume of imports of subject merchandise if the orders under review are revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.[79] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[80]

In evaluating the likely price effects of subject imports if the orders under review are revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.[81]

In evaluating the likely impact of imports of subject merchandise if the orders under review are revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[82] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.[83] As instructed by the statute, we have

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[79] 19 U.S.C. § 1675a(a)(2).

[80] 19 U.S.C. § 1675a(a)(2)(A-D).

[81] 19 U.S.C. § 1675a(a)(3). The SAA states that "[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

[82] 19 U.S.C. § 1675a(a)(4).

[83] 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. Commerce expedited its determinations in these reviews and found that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping. In its expedited review of the antidumping duty order for Korea, Commerce found likely dumping margins of 2.67 percent for Pusan Steel Pipe (now SeAH Steel), 7.92 percent for Sammi Metal Products, and an all other rate of 7.00 percent. 71 Fed. Reg. at 97 (Jan. 3, 2006). In its expedited review of the antidumping duty order for Taiwan, Commerce found likely dumping margins of 31.90 percent for Jaung Yuann Enterprise and for Yeun Chyang Industrial, and an all other rate of 19.84 percent. 71 Fed. Reg. at 97 (Jan. 3, 2006). Imports of subject merchandise from two Taiwan producers are not subject to antidumping duty orders. In the original investigations, imports of subject merchandise by Chang Tieh Industry was determined to have 0.00 percent dumping margins and thus no order was imposed. CR/PR at I-2. After administrative reviews with *de minimis* dumping margins, Commerce revoked the order regarding imports of subject merchandise by Ta Chen as of December 1, 1998. CR at I-12; PR at I-9.

considered the extent to which any improvement in the state of the domestic industry is related to the orders at issue and whether the industry is vulnerable to material injury if the orders are revoked.[84]

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[85]

Demand. In the original determinations, the Commission noted that demand for WSS pipes and pressure tubes is driven by demand in the downstream industries, which generally had increased over the period investigated.[86] In the first five-year reviews, the Commission observed that WSS pipes and pressure tubes are used in petrochemical, pharmaceutical, and food processing industries and that demand for such pipe products is subject to the business cycles for other products.[87]

This continues to be true. U.S. demand for welded A-312 pipe depends primarily on the level of demand for downstream products using such pipe. Major uses for welded A-312 pipe include digester lines, pharmaceutical production lines, petrochemical stock lines, automotive paint lines, and various other processing lines such as those in paper mills, breweries, and food processing facilities.[88] Apparent U.S. consumption of welded A-312 pipe declined overall by 4.3 percent from 2000 to 2005. The decline in consumption occurred primarily from 2000 to 2001 (16.3 percent). Apparent U.S. consumption then rose by 14.5 percent from 68,613 short tons in 2001 to 78,462 short tons in 2005, and was 11.8 percent higher in the January-March 2006 interim period than in the January-March 2005 period.[89] The majority of producers, importers and purchasers reported that they expect demand to continue to grow.[90]

Supply. In the first five-year reviews, the Commission found that, even though U.S. producers' capacity declined from 1997 to 1999, they were not operating at full capacity; capacity utilization decreased from 75.2 percent in 1997 to 64.4 percent in 1999.[91] The Commission recognized that non-subject imports rose steadily during the first review period, with non-subject merchandise from Taiwan comprising a significant portion of the increased imports. Moreover, these increased imports (subject and non-subject) had supplied virtually all of the growth in apparent U.S. consumption of WSS pipes and pressure tubes during the period of review.

In the current reviews, the Commission received usable responses from six U.S. producers of welded A-312 and A-778 pipes, which together accounted for approximately *** of domestic production in 2005.[92] There has been some consolidation of the industry since the first reviews: one domestic

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[84] The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

[85] 19 U.S.C. § 1675a(a)(4).

[86] Original Determination, USITC Pub. 2585 at 17-18.

[87] See 2000 Sunset Determination, USITC Pub. 3351 at 13.

[88] CR at II-9; PR at II-6.

[89] CR/PR at Table C-4.

[90] CR at II-11; PR at II-7. Five of nine responding producers, five of seven responding importers, and six of ten responding purchasers reported that they expect demand to continue to grow. Id.

[91] 2000 Sunset Determination, USITC Pub. 3351 at 13 and Table C-3.

[92] CR/PR at II-1 and Table III-1.

producer of welded A-312 pipe, Davis Pipe, ceased production; a second, Robert Mitchell, moved production out of the United States;[93] and two others, Marcegaglia and Trent Tube, ***.[94]

Most U.S. producers of welded A-312 pipe also produce other WSS pipes and pressure tubes, but they generally produce those products on different production lines using separate equipment than that used for welded A-312 pipe.[95] However, in response to increased downward pricing pressure, many U.S. producers have altered their product mix to include a lower share of subject pipe.[96] Nevertheless, U.S. producers contend that they still need to produce welded A-312 pipe in order to spread fixed plant costs over a larger production volume, thereby reducing average unit fixed costs.[97]

In the original determinations, the Commission noted as a condition of competition that the domestic industry was affected by the worldwide decline in prices of raw materials, such as nickel and ferrochromium.[98] In these reviews, raw materials costs, which continue to be a driving factor for the price of welded A-312 pipe, increased substantially between 2001 and 2006. The average unit value of raw materials for making stainless steel increased by approximately 64 percent from 2001 to 2006.[99]

The percentage of apparent U.S. consumption supplied by the domestic welded A-312 pipe industry declined during the period of review. The domestic industry's share of apparent U.S. consumption was 64.1 percent in 2000, rose as high as 68.1 percent in 2002, and then declined steadily, reaching a period low of 47.2 percent in 2005.[100] Imports from nonsubject sources increased their presence in the U.S. market during the period of review, increasing from *** in 2000 to a period high of *** in 2005.[101] In 2005, the largest source of nonsubject welded A-312 pipe imports was China.[102] The market share of welded A-312 pipe imports from China rose sharply from a period low of 0.2 percent in 2000 to a period high of 18.0 percent in 2005.[103] The market share of imports from subject sources fluctuated from year to year, but increased overall from *** in 2000 to *** in 2005.[104]

Substitutability. In the first five-year reviews, the Commission found that A-312 pipe from all sources met the same specifications, and that subject merchandise and domestic A-312 pipe were highly substitutable. Similarly, as discussed in section III.C above, welded A-312 pipe, regardless of source, generally is produced to ASTM standards. Market participants generally found that both the subject

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[93] CR at I-34; PR at I-24; and 2000 Sunset Determination, Confidential Report and USITC Pub. 3351 at Table I-4.

[94] CR/PR at III-1 and Table I-4. Marcegaglia *** and Trent Tube ***. We note that the data for some closures reported at the Commission's hearing may not be reflected in the report since questionnaires were not received from some firms that no longer exist. Hearing Tr. at 36 and CR at I-42, n.106; PR at I-27, n.106.

[95] CR at I-29-31; PR at I-22.

[96] CR at I-41; PR at I-29. Regarding whether production has shifted from welded A-312 pipe to other WSS pipes and pressure tubes, a representative from Bristol Metals indicated at the Commission's hearing that "it's not so much a shift on the same equipment to other products. It's more that over this period of review a lot of the domestic capacity and, therefore, the production for A-312 has actually been shut down, whereas we haven't had that shutdown in the other welded stainless pipe and tube products, and that's why it looks like there's a shift." Hearing Tr. at 36.

[97] CR at III-20; PR at III-13.

[98] Original Determination, USITC Pub. 2585 at 17-18.

[99] CR at III-19; PR at III-12.

[100] CR/PR at Table C-4.

[101] Calculated from CR/PR at Table C-4.

[102] In these reviews, the only condition of competition identified by Domestic Producers was the growth in nonsubject imports, which they contend makes the domestic industry vulnerable to renewed unfair subject imports. Specifically, they maintain that "nonsubject imports are certain to put volume and price pressures on the U.S. market, making the industry vulnerable to increased unfair imports from Korea and Taiwan. Domestic Producers' Prehearing Brief at 16-17.

[103] Calculated from CR/PR at IV-8 and Table C-4.

[104] Calculated from CR/PR at Table C-4, as revised.

imports and the domestic like product can be used for the same applications and that welded A-312 pipe from different sources was comparable in most non-price characteristics.[105]

C. Likely Volume of Subject Imports

In the original determinations, the Commission found that cumulated subject imports increased by 303.4 percent (by quantity) from 1989 to 1991 and that the U.S. producers' share of apparent U.S. consumption decreased by 10.0 percentage points (by quantity).[106] Accordingly, the Commission found the volume of imports and the increase in volume of imports to be significant.

In the first five-year reviews, the Commission found that, while the orders had resulted in a decrease in the level of subject imports from both Korea and Taiwan, such imports had retained a significant presence in the U.S. market.[107] The Commission noted that subject imports were highly interchangeable with both domestically produced and non-subject imports of A-312 pipe. Regarding the industry in Korea, the evidence indicated that capacity had decreased, but remained at significant levels, and that capacity utilization was lower than during the original period of investigation.[108] Moreover, since the original investigation, the Korean industry had increased its dependence on exports. There was limited information concerning the industry in Taiwan, but the available information indicated that capacity had not decreased and remained significant. The Commission found that the U.S. market remained an important one for Taiwan producers, as evidenced by the increase in subject A-312 pipe exports to the United States despite the order. The Commission concluded that, in the absence of the orders, the cumulated subject imports likely would increase to significant levels, as occurred in the original investigations.[109]

During the current period of review, subject imports from both Korea and Taiwan have remained in the U.S. market. Cumulated subject imports of welded A-312 pipe, both in absolute terms and relative to production and consumption, have increased irregularly during the review period, from *** in 2000 to *** in 2005.[110] The market penetration of cumulated subject imports increased from *** in 2000 to *** in 2005.[111] Relative to U.S. production, cumulated subject imports increased from *** in 2000 to *** in 2005.[112]

The information available in these five-year reviews indicates that the welded A-312 pipe industries in both Korea and Taiwan have significant production capacity and considerable unused capacity, and are export-oriented. While no Korean producer reported data to the Commission on its welded A-312 pipe operations during the current five-year reviews,[113] Korean capacity utilization was 58.8 percent in 1999, down from *** in 1991 at the end of the original investigation.[114] Korean welded A-312 pipe producers have increasingly become more export-oriented. In the original investigation,

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[105] CR at I-19, I-26, II-12, II-19-21, and Tables II-4 and II-5; PR at I-15, I-19, II-7, II-12-14, and Tables II-4 and II-5.

[106] See Original Determination, USITC Pub. 2585 at 24.

[107] See 2000 Sunset Determination, USITC Pub. 3351 at 14-16.

[108] See 2000 Sunset Determination, USITC Pub. 3351 at 14-16.

[109] 2000 Sunset Determination, USITC Pub. 3351 at 16.

[110] CR/PR at Tables IV-1 and C-4.

[111] Calculated from CR/PR at Table C-4, as revised.

[112] Calculated from CR/PR at Table C-4.

[113] In these five-year reviews, questionnaires were sent to four Korean companies that had been identified as actively producing subject welded A-312 pipe. CR at IV-10; PR at IV-9-10.

[114] 2000 Sunset Determination, USITC Pub. 3351 at Table IV-2; Original Determination, Confidential Report and USITC Pub. 2585 at Table 15 (covering a reported 95 percent of Korean production).

Korean producers reported exporting about *** of their welded A-312 pipe production, whereas during the first five-year review they reported exporting 70.7 percent to 91.6 percent of their production.[115]

One producer of welded A-312 pipe in Taiwan, Yeun Chyang, reportedly accounting for approximately *** of production, provided data to the Commission on its operations during the current five-year review period.[116] This producer reported capacity utilization ranging from *** in 2002 to *** in 2005.[117] From 2002 to 2005, it reported increases in production capacity of *** and, despite its *** capacity utilization, it projected a further increase in capacity of *** from 2005 to 2006 if the order stayed in effect, and an increase of *** from 2005 to 2006 if the order was revoked.[118] Export markets accounted for an increasing share of this producer's total shipments, increasing from *** in 2002 to *** in 2005.[119] While this producer reported *** to the United States from 2002 to 2005, it projected that *** of its total shipments would be exported to the U.S. market in 2006 if the order was revoked.[120] In addition, Yeun Chyang indicated that it ***.[121]

Welded A-312 pipe exports from Korea and Taiwan have been subject to antidumping duty orders, tariffs, and related trade barriers in other markets during the period examined in these reviews. While there were no other outstanding orders after March 10, 2006, exports from Taiwan to Brazil were subject to an ongoing antidumping duty investigation in 2006.[122]

We also have examined inventories of the subject merchandise. There were no inventories of welded A-312 pipe from Korea or Taiwan reported by U.S. importers.[123] The information available concerning welded A-312 pipe inventories in Korea and Taiwan indicates that inventory levels were generally stable and at moderate levels relative to shipments during these reviews and prior periods examined.[124]

Given the large amount of unused welded A-312 pipe capacity available in Korea and Taiwan, their industries' dependence on export markets, and their continued and increased presence in the U.S. market even under the discipline of the orders, as well as other factors, we conclude that if the orders were revoked the volume and market share of cumulated subject imports from Korea and Taiwan would likely be significant within a reasonably foreseeable time.

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[115] 2000 Sunset Determination, USITC Pub. 3351 at Table IV-2.

[116] CR at IV-10-16; PR at IV-10-12. In these five-year reviews, questionnaires were sent to five Taiwan companies that had been identified as producers of welded A-312 pipe. CR at IV-11; PR at IV-10. In the first five-year reviews, the Commission received a limited response from a single Taiwan producer reportedly accounting for about *** of production in Taiwan. 2000 Sunset Determination, Confidential Report at IV-7; USITC Pub. 3351 at IV-6. In the original final investigations, the Commission received questionnaire responses from two Taiwan producers accounting for approximately *** of total production in Taiwan in 1991. Original Determination, Confidential Report at I-43; USITC Pub. 2585 at I-27.

[117] CR/PR at Table IV-5.

[118] Calculated from CR/PR at Table IV-5.

[119] CR/PR at Table IV-5.

[120] CR/PR at Table IV-5. Specifically, Yeun Chyang indicated that it would "***" if the subject order were revoked. CR at IV-16; PR at IV-12.

[121] CR at IV-13; PR at IV-11.

[122] Prior to the first reviews, South Africa imposed antidumping duties on welded stainless steel tubes and pipes from Korea and Taiwan effective December 18, 1998; these orders were revoked in 2004. On June 10, 2005, South Africa initiated an investigation concerning alleged dumping regarding imports of welded stainless steel tubes and pipes from Taiwan; the investigation was terminated with respect to Taiwan effective March 10, 2006. From September 1991 to September 2001, welded ASTM A-312 pipe from Taiwan was subject to an antidumping duty order in Canada. CR at IV-16-17; PR at IV-12. Yeun Chyang also reported that is exports were subject to the following trade barriers: ***. CR at IV-16; PR at IV-12.

[123] CR/PR at IV-9.

[124] CR/PR at Table IV-5; 2000 Sunset Determination, Confidential Report and USITC Pub. 3351 at Table IV-2; Original Determination, Confidential Report and USITC Pub. 2585 at Tables 15 and 16.

D. Likely Price Effects

In the original determinations, the Commission found that the low, and declining, import prices of Korean welded A-312 pipe undersold the domestic product in 34 of 36 price comparisons, while Taiwan welded A-312 pipe undersold the domestic product in 34 of 40 price comparisons. The Commission concluded that subject imports were having significant depressing and suppressing effects on domestic prices for WSS pipes and pressure tubes.[125]

In the first five-year reviews, the Commission found that, given the likely significant volume of subject imports, the high level of substitutability between subject imports and the domestic like product, the importance of price in purchasing decisions, the slow growth in U.S. demand, and underselling by the subject imports in the original period of investigations and the period covered during the first reviews, Korean and Taiwan welded A-312 pipe likely would be priced aggressively to gain additional market share in the absence of the orders.[126] Accordingly, the Commission found that subject imports likely would have significant depressing or suppressing effects on prices for the domestic like product.

In considering the likely price effects of subject imports in these reviews if the orders were revoked, we recognize, as discussed above, that subject imports are highly substitutable for the domestic like product.[127] Moreover, the general importance of price in purchasing decisions has not changed since the time of the first five-year reviews. The record in these reviews indicates that price is the factor most frequently cited by U.S. purchasers as the number one factor in their purchasing decisions, with quality the second most frequently cited factor.[128] Price was also a factor repeatedly cited by purchasers as a "very important" factor in purchasing decisions; the only factors that purchasers cited as frequently were "quality meeting industry standards" and "product consistency."[129] All welded A-312 pipe purchasers reported that quality was determined by meeting ASTM and ASME standards or producer specifications, which both the domestic like product and the subject imports satisfy.[130] In light of the high degree of substitutability and comparable quality of welded A-312 pipe from different sources, price will be the principal factor influencing purchasing decisions absent the orders. Thus, sustained underselling by even a relatively small amount of subject imports is likely to have significant price-suppressing or -depressing effects.

Even with the orders in place, subject imports from Korea undersold the domestic like product in 91 of 100 quarterly comparisons during the period of review.[131] While there were no pricing data for subject imports from Taiwan reported during the period of review, subject imports from Taiwan undersold the U.S. product in 34 of 40 comparisons in the original investigations.[132] In light of the underselling in these reviews and data from the original investigations, we conclude that there will likely be significant price underselling should the orders under review be revoked.

Because price is important to purchasing decisions, the presence of significant quantities of welded A-312 pipe imports that are likely to enter the United States after revocation of the orders under review and that are likely to undersell the domestically produced product will force domestic welded

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[125] See Original Determination, USITC Pub. 2585 at 24-25.

[126] See 2000 Sunset Determination, USITC Pub. 3351 at 16 -17.

[127] CR at II-12 and II-19-21; PR at II-7 and II-12-14.

[128] CR/PR at Table II-2. Five of the 11 responding purchasers reported that price was the most important factor, whereas four reported that quality was the most important factor. CR at II-12; PR at II-8. Price also was the most commonly cited second-most-important factor, listed by four purchasers. Id.

[129] CR/PR at Table II-3.

[130] CR at II-13; PR at II-8.

[131] CR/PR at Tables V-2 - V-6 and Figures V-5 - V-8. Subject imports from Korea undersold the U.S. product in 34 of 36 comparisons in the original investigations, and 50 of 52 comparisons in the first five-year reviews.

[132] See CR/PR at Tables V-2 - V-6 and Figures V-5 - V-8. Pricing data also were not available for the subject imports from Taiwan in the first five-year reviews.

A-312 pipe producers to either lower prices or lose sales.[133] In light of these considerations and the price-sensitive nature of the market for welded A-312 pipe, we conclude that the subject imports will also likely have price-depressing or price-suppressing effects.[134]

E. Likely Impact of Subject Imports

In the original determinations, the domestic industry's performance was mixed.[135] While the industry remained profitable, the Commission found that declines in indicators such as operating income demonstrated material injury by reason of the subject imports. The Commission also observed that there was a difference in the financial performance of welded A-312 pipe producers and pressure tube producers, which it found could be explained in part by the fact that the welded A-312 pipe producers had to compete directly with increasing volumes of more fungible subject imports.

In the first five-year reviews, the Commission found that the domestic industry was weak, with declines in production and shipments although capacity increased.[136] The Commission observed that lower average unit sales values contributed to weak financial performance. The domestic industry's share of the WSS pipe and tube market also declined from 82.0 percent in 1997 to 72.7 percent in 1999.[137] The Commission found that the domestic industry was vulnerable on the basis of the generally poor performance of the domestic industry over the review period. The Commission concluded that the likely significant increase in subject imports if the orders were revoked likely would cause declines in both the price and volume of the domestic producers' shipments, which in turn would likely have a significant adverse impact on the domestic industry's performance, particularly given its vulnerable condition.

Virtually all domestic industry performance indicators declined during the current period of review. Capacity fluctuated from year to year and declined overall from 88,787 short tons in 2000 to 77,877 short tons in 2005.[138] Production also fluctuated from year to year and declined overall from 54,957 short tons in 2000 to a period low of 35,579 short tons in 2005.[139] Capacity utilization also reached a period low of 45.7 percent in 2005, as compared to 61.9 percent in 2000 and the period high of 66.0 percent in 2002.[140]

The domestic industry's U.S. shipments showed patterns similar to those for production. U.S. shipments fluctuated from year to year and declined overall from 52,561 short tons in 2000 to a period low of 37,006 short tons in 2005.[141] Inventories, relative to shipments, fluctuated from year to year and declined from 26.7 percent in 2000 to 23.5 percent in 2005.[142] The domestic industry's share of apparent U.S. consumption declined during the period of review. The U.S. industry's market share was 64.1

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[133] We observe that prices for the domestic like product and subject imports generally increased over the period of review, reportedly to keep pace with rising input costs. CR/PR at V-1 and V-6. Moreover, in 2004 and 2005, surcharges for raw material, energy and fuel costs may account for as much as 50 percent of the final price of the welded stainless steel pipes. CR/PR at V-6; Hearing Tr. at 61.

[134] As discussed above, if the orders were revoked subject import volumes would likely be significantly higher than they currently are under the restraining effects of the orders. To take sales from and have price effects upon the domestic industry, the subject imports need only be priced lower than the domestic like product; they need not be priced lower than all other products in the market. The record indicates that the subject welded A-312 pipe imports are likely to undersell the domestic like product in the event of revocation. See Domestic Producers' Posthearing Brief at A-9 and A-10.

[135] See Original Determination, USITC Pub. 2585 at 18-20 and 25-26.

[136] See 2000 Sunset Determination, USITC Pub. 3351 at 17-18.

[137] 2000 Sunset Determination, USITC Pub. 3351 at 18, n. 116 and Table I-2.

[138] CR/PR at Table C-4.

[139] CR/PR at Table C-4.

[140] CR/PR at Table C-4.

[141] CR/PR at Table C-4.

[142] CR/PR at Table C-4.

percent in 2000, rose to as high as 68.1 percent in 2002, and then declined steadily reaching a period low of 47.2 percent in 2005.[143] Imports from both subject and nonsubject sources increased their presence in the U.S. market during the period of review. While subject imports' share of the U.S. market increased from *** in 2000 to *** in 2005,[144] the market share of imports from nonsubject sources also increased from *** in 2000 to a period high of *** in 2005.[145]

The number of production and related workers employed in the domestic industry declined from 560 in 2000 to 346 in 2005.[146] Hours worked and wages paid also declined over the period of review, with the most substantial declines from 2000 to 2001.[147]

With the exception of 2004, the domestic industry incurred operating losses in each full year throughout the period of review, although financial performance showed relatively large annual fluctuations. The industry's operating loss ratio was 1.0 percent in 2000, worsened substantially in 2001 and 2002 to 11.5 percent and 20.4 percent, respectively, and improved somewhat in 2003 to an operating loss of 8.4 percent.[148] The industry experienced a positive operating income ratio of 5.5 percent in 2004, before again declining to an operating loss of 0.7 percent in 2005.[149] Based on the industry's weak performance, we find that the industry is currently vulnerable to material injury.

We have concluded that subject import volumes will likely increase to significant levels in the reasonably foreseeable future if the orders under review are revoked. Because the subject imports are good substitutes for the domestic like product and the domestic industry accounts for a majority of the U.S. market that is not currently served by subject imports, any increase in subject import volumes will likely be in substantial part at the expense of the domestic industry rather than nonsubject imports.[150] Such increases in subject import volume will likely have the effect of exacerbating the declines in production, shipments, market share, and employment that the domestic industry sustained during the period of review.

Additionally, because of the likely aggressive pricing of the subject imports, the domestic industry either will need to cut prices for the domestic like product or lose sales. Under either scenario, the domestic industry's revenues will likely decline significantly in light of the anticipated volume of subject imports. This, in turn, will likely lead to declines in the industry's operating performance.

We consequently find that revocation of the orders under review will likely have a significant adverse impact on the domestic industry. We therefore determine that revocation of the antidumping duty orders on welded A-312 pipe from Korea and Taiwan will likely lead to continuation or recurrence of material injury to the domestic welded A-312 and A-778 pipe industry within a reasonably foreseeable time.

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[143] CR/PR at Table C-4.

[144] Calculated from CR/PR at Table C-4, as revised.

[145] Calculated from CR/PR at Table C-4. In 2005, the largest source of nonsubject welded A-312 pipe imports was China; the market share of welded A-312 pipe imports from China was 18.0 percent in 2005. Calculated from CR/PR at IV-8 and Table C-4.

[146] CR/PR at Table C-4.

[147] CR/PR at Table C-4.

[148] CR/PR at Table C-4.

[149] CR/PR at Table C-4.

[150] As previously stated, welded A-312 pipe from various sources is highly substitutable because it is produced to standard ASTM specifications. CR at II-12-13; PR at II-7-8.

PART I: INTRODUCTION AND OVERVIEW

BACKGROUND

On September 1, 2005, the United States International Trade Commission ("Commission" or "USITC") gave notice, pursuant to section 751(c) of the Tariff Act of 1930 (the Act), that it had instituted reviews to determine whether revocation of the antidumping duty orders on certain welded stainless steel ("WSS") pipes from Korea and Taiwan would likely lead to the continuation or recurrence of material injury to a domestic industry. On December 5, 2005, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act. Information relating to the background and schedule of the reviews is provided in the following tabulation.[1]

Effective date	Action	*Federal Register* citation
December 30,1992	U.S. Department of Commerce ("Commerce") issues antidumping duty orders on imports from Korea and Taiwan	57 FR 62300 and 57 FR 62301
July 1, 1999	Commission's institution of the first five-year reviews	64 FR 35694
September 22, 2000	Commission's determinations in the first five-year reviews	65 FR 58806 (October 2, 2000)
September 1, 2005	Commerce's initiation of second five-year reviews	70 FR 52074
September 1, 2005	Commission's institution of second five-year reviews	70 FR 52124
December 5, 2005	Commission's determination to conduct full reviews	70 FR 73452 (December 12, 2005)
January 3, 2006	Commerce's final results of expedited second five-year reviews	71 FR 96
February 8, 2006	Commission's scheduling of the reviews	71 FR 8311 (February 16, 2006)
June 20, 2006	Commission's hearing[1]	Not applicable
August 3, 2006	Commission's vote	Not applicable
August 16, 2006	Commission's determination transmitted to Commerce	Not applicable
[1] App. B contains a list of witnesses who appeared at the hearing.		

The Original Investigations

On November 18, 1991, a petition was filed with Commerce and the Commission alleging that an industry in the United States was materially injured and threatened with material injury by reason of

[1] The Commission's notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy appear in app. A and may also be found at the Commission's web site (internet address *www.usitc.gov*). Commissioners' votes on whether to conduct an expedited or full review may also be found at the web site.

dumped imports of welded A-312 pipes[2] from Korea and Taiwan.[3] On November 12, 1992, Commerce made final affirmative dumping determinations. Company-specific dumping margins for Korea were determined to be 7.75 percent for Sammi Metal Products Co., Ltd.[4] and 2.55 percent for Pusan Steel Pipe Co., Ltd. For all other Korean manufacturers/exporters the margin was determined to be 6.83 percent.[5] Company-specific dumping margins for manufacturers/exporters in Taiwan were determined to be 0.00 percent for Chang Tieh Industry Co., Ltd., 31.90 percent for Jaung Yuann Enterprise Co., Ltd. and Yeun Chyang Industrial Co., Ltd., and 3.51 percent for Ta Chen Stainless Pipe Co., Ltd.; the "all others" margin was determined to be 19.94 percent.[6] On December 18, 1992, the Commission notified Commerce of its final affirmative determinations of material injury,[7] and on December 30, 1992, Commerce issued antidumping duty orders on imports of welded A-312 pipes from Korea and Taiwan.

The First Five-Year Reviews

On July 1, 1999, the Commission instituted the first five-year reviews of the antidumping duty orders[8] and, on October 1, 1999, the Commission determined that it should proceed to full reviews, concluding that the domestic interested party group responses to its notice of institution were adequate with respect to both reviews, that the respondent interested party group response was adequate with respect to Korea, and other circumstances warranted conducting a full review with respect to Taiwan.[9] On February 4, 2000, Commerce found that revocation of the antidumping duty orders on certain welded stainless steel pipes from Korea and Taiwan would likely lead to continuation or recurrence of dumping.[10] On September 22, 2000, the Commission completed its first full five-year reviews of the subject orders and determined that revocation of the antidumping duty orders on certain welded stainless steel pipes from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury to an

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[2] The designation "A-312" refers to a standard specification for seamless or straight-seam welded austenitic stainless steel pipe intended for high-temperature and general corrosive service issued by the American Society for Testing and Materials ("ASTM").

[3] The petition was filed on behalf of Avesta Sandvik Tube, Inc., Schaumberg, IL; Bristol Metals ("Bristol"), Bristol, TN; Damascus Tubular Products, Greenville, PA; Trent Tube Division, Crucible Materials Corp. ("Trent"), East Troy, WI; and the United Steelworkers of America.

[4] On January 3, 1995, Pusan acquired the productive assets of Sammi and subsequently changed its name to SeAH Steel Corp.

[5] These margins were subsequently changed to 2.67 percent for Pusan Steel Pipe, 7.92 percent for Sammi Metal Products, and 7.00 percent for all other Korean manufacturers/exporters. *See Notice of Amended Final Determination and Antidumping Order: Certain Welded Stainless Steel Pipe from the Republic of Korea,* 60 FR 10064, February 23, 1995.

[6] The margin for Ta Chen was subsequently amended to 3.27 percent and the "all others" margin was amended to 19.84 percent (57 FR 62300, December 30, 1992).

[7] Commissioners Brunsdale and Crawford dissenting with respect to Korea; Commissioner Brunsdale dissenting and Commissioner Crawford not participating with respect to Taiwan.

[8] *Certain Stainless Steel Pipe From Korea, Sweden, and Taiwan,* 64 FR 35694, July 1, 1999. In addition to the instant reviews, the Commission instituted a review on welded stainless steel hollow products from Sweden (inv. No. 731-TA-354 (Review)). However, following notification from Commerce that it would revoke the order on Swedish pipes because of lack of domestic interest, the Commission terminated its review effective January 1, 2000. *July 1999 Sunset Reviews: Final Results and Revocation,* 64 FR 47763, September 1, 1999.

[9] *Certain Welded Stainless Steel Pipe From Korea and Taiwan,* 64 FR 55961, October 15, 1999.

[10] *Final Results of Expedited Sunset Reviews: Certain Welded Stainless Steel Pipes From the Republic of Korea and Taiwan,* 65 FR 5607, February 4, 2000.

industry in the United States within a reasonably foreseeable time.[11] Subsequently, Commerce issued a continuation of the subject antidumping duty orders.[12]

Previous and Related 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, *Steel*, under section 202 of the Trade Act of 1974[13] to determine whether certain steel products, including stainless steel welded tubular products,[14] 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 stainless steel welded tubular products industry.[15] On July 26, 2001, the Commission received a resolution adopted by the Committee on Finance of the U.S. Senate ("Senate Finance Committee" or "Committee") requesting that the Commission investigate certain steel imports under section 201 of the Trade Act of 1974.[16] Consistent with the Senate Finance Committee's resolution, the Commission consolidated the investigation requested by the Committee with the Commission's previously instituted investigation No. TA-201-73.[17] On December 20, 2001, the Commission issued its determinations and remedy recommendations.[18] The Commission made a unanimous negative determination with respect to stainless steel welded tubular products.[19]

Summary Data

Table I-1 presents a summary of data from the original investigations, the first reviews, and the current reviews. Figure I-1 presents a summary of imports during the same period.[20]

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[11] Commissioner Askey dissenting with respect to Korea. *Certain Welded Stainless Steel Pipes From Korea and Taiwan: Determinations,* 65 FR 58806, October 2, 2000.

[12] *Continuation of Antidumping Duty Orders: Certain Welded Stainless Steel Pipe from South Korea and Taiwan,* 65 FR 61143, October 16, 2000.

[13] 19 U.S.C. § 2252.

[14] Products related to welded stainless steel pipes and pressure tubes, a 'like or directly competitive product' encompassing stainless steel welded tubular products that were covered under investigation No. TA-201-73, that included products "produced by bending flat-rolled steel products to form a hollow product with overlapping or abutting seams. The seam is then generally fastened by welding. . ." *Steel, Inv. No. TA-201-73, Volume I: Determinations and Views of Commissioners*, USITC Publication 3479, December 2001, p. 16.

[15] *Institution and Scheduling of an Investigation under Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) (the Act)*, 66 FR 35267 (July 3, 2001).

[16] 19 U.S.C. § 2251.

[17] *Consolidation of Senate Finance Committee Resolution Requesting a Section 201 Investigation with the Investigation Requested by the United States Trade Representative on June 22, 2001*, 66 FR 44158 (August 22, 2001).

[18] *Steel; Import Investigations*, 66 FR 67304 (December 28, 2001).

[19] *Steel, Inv. No. TA-201-73*, USITC Publication 3479, December 2001, pp. 17-18.

[20] Domestic industry data and aggregate imports correspond to the Commission's original domestic like product, welded stainless steel pipes and pressure tubes (other than grade 409 and mechanical tubing). Subject imports, however, are limited to Commerce's scope, welded ASTM A-312 pipes.

Table I-1
WSS pipes and pressure tubes: Summary data from the original investigations, the first reviews, and the current reviews, 1989-91, 1997-99, and 2000-05

(Quantity=*short tons*; value=*1,000 dollars*; unit values, unit labor costs, and unit financial data are *per short ton*)

Item	1989	1990	1991	1997	1998	1999	2000	2001	2002	2003	2004	2005
U.S. consumption quantity: Amount	***	***	***	100,508	99,080	109,806	109,111	96,108	102,168	104,142	112,247	111,637
Producers' share:	***	***	***	82.0	76.4	72.7	65.8	70.1	70.1	63.7	58.4	55.5
Importers' share: Korea	***	***	***	2.5	4.8	2.5	2.2	3.1	3.2	4.4	5.1	5.1
Taiwan (subject)	***	***	***[1]	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (Chang Mien and Ta Chen)	***	***	***	***	***	***	***	***	***	***	***	***
All other countries	***	***	***	10.8	11.5	13.0	19.0	16.4	17.8	21.3	27.7	30.6
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	18.0	23.6	27.3	34.2	29.9	29.9	36.3	41.6	44.5
U.S. imports from-- Korea:												
Quantity	444	3,328	5,074	2,465	4,740	2,711	2,403	2,938	3,259	4,549	5,708	5,716
Value	1,422	9,906	15,172	5,195	8,368	4,520	5,181	5,427	6,212	8,550	14,491	17,577
Unit value	$3,206	$2,977	$2,990	$2,107	$1,765	$1,667	$2,156	$1,847	$1,906	$1,879	$2,539	$3,075
Taiwan (subject):												
Quantity	3,095	7,979	9,197 [1]	***	***	***	***	***	***	***	***	***
Value	13,271	26,531	29,305 [1]	***	***	***	***	***	***	***	***	***
Unit value	$4,288	$3,325	$3,186 [1]	$***	$***	$***	$***	$***	$***	$***	$***	$***
Subject sources:												
Quantity	3,538	11,307	14,271	***	***	***	***	***	***	***	***	***
Value	14,693	36,437	44,477	***	***	***	***	***	***	***	***	***
Unit value	$4,152	$3,223	$3,117	$***	$***	$***	$***	$***	$***	$***	$***	$***
Taiwan (Chang Mien and Ta Chen):[2,3]												
Quantity	[2]	[2]	[2]	***	***	***	***	***	***	***	***	***
Value	[2]	[2]	[2]	***	***	***	***	***	***	***	***	***
Unit value	[4]	[4]	[4]	$***	$***	$***	$***	$***	$***	$***	$***	$***
Other sources:												
Quantity	9,819	10,738	10,260	10,867	11,406	14,326	20,763	15,715	18,150	22,171	31,127	34,134
Value	41,377	40,271	33,472	34,525	37,250	46,386	65,225	54,614	54,439	61,466	106,866	135,068
Unit value	$4,214	$3,750	$3,262	$3,177	$3,266	$3,238	$3,141	$3,475	$2,999	$2,772	$3,433	$3,957

Table continued on following page.

Table I-1--***Continued***

WSS pipes and pressure tubes: Summary data from the original investigations, the first reviews, and the current reviews, 1989-91, 1997-99, and 2000-05

(Quantity=*short tons*; value=*1,000 dollars*; unit values, unit labor costs, and unit financial data are *per short ton*)

Item	1989	1990	1991	1997	1998	1999	2000	2001	2002	2003	2004	2005
Subtotal for Chang Mien/Ta Chen and nonsubject countries:												
Quantity	9,819	10,738	10,260	***	***	***	***	***	***	***	***	***
Value	41,377	40,271	33,472	***	***	***	***	***	***	***	***	***
Unit value	$4,214	$3,750	$3,262	$***	$***	$***	$***	$***	$***	$***	$***	$***
All countries:												
Quantity	13,357	22,045	24,531	18,124	23,351	29,944	37,302	28,719	30,519	37,802	46,674	49,696
Value	56,070	76,708	77,949	51,552	59,326	74,590	106,882	80,445	78,938	93,872	154,190	190,304
Unit value	$4,198	$3,480	$3,178	$2,844	$2,541	$2,491	$2,865	$2,801	$2,587	$2,483	$3,304	$3,829
U.S. producers'--												
Capacity *(quantity)*	***	***	***	121,010	122,950	129,800	134,742	134,275	135,104	143,349	139,497	139,921
Production *(quantity)*	***	***	***	91,195	81,311	83,924	76,453	64,534	75,412	70,208	69,260	62,926
U.S. shipments *(quantity)*	***	***	***	82,384	75,729	79,862	71,809	67,389	71,649	66,340	65,573	61,941
Export shipments *(quantity)*	***	***	***	6,041	4,627	4,335	1,840	2,727	2,126	2,501	3,810	3,317
Production and related workers:												
Number employed	***	***	***	1,128	1,116	1,089	1,042	929	914	877	846	870
Hours worked (*1,000s*)	***	***	***	2,524	2,393	2,311	1,928	1,694	1,714	1,649	1,585	1,698
Net sales *(value)*:	***	***	***	309,544	250,426	245,439	253,395	228,359	220,003	217,645	301,728	327,222
Operating income/loss (*1,000 dollars*)	***	***	***	20,159	(4,930)	4,076	(4,086)	(16,162)	(30,567)	(17,028)	17,564	10,615
Ratio of operating income/loss to net sales (percent)	***	***	***	6.5	(2.0)	1.7	(1.6)	(7.1)	(13.9)	(7.9)	5.8	3.2

[1] Includes imports from Chang Tieh, which were found by Commerce to be fairly traded. Chang Tieh's exports accounted for an estimated *** percent of 1991 imports from Taiwan and an estimated *** percent of 1991 consumption.

[2] Any Ta Chen product is included in "Taiwan (subject)" during 1989-91.

[3] The data presented for 1997 and afterwards are based on data obtained from proprietary Customs' information. Chang Tieh (later Chang Mien) was excluded during the original investigations, and the order for Ta Chen was revoked effective June 26, 2000, on merchandise entered after December 1998.

[4] Not applicable.

Note.–Because of rounding, figures may not add to the totals shown. Calculated data are based on unrounded numbers. Current data (2000-05) may not be comparable to data from previous periods, as several firms have since gone out of business and no records are available for their operations during 2000-05. Davis Pipe declared Chapter 11 bankruptcy in September 2002 and Chapter 7 bankruptcy in February 2003. At that point Davis Pipe ceased to exist; its records are no longer available. International Tubular Products ("ITP") was purchased as a whole by Valtimet in December 2002, and was ***. No records are reported to exist for any operations of the ITP facilities either before Valtimet took possession or after. Data are also missing from Swepco, which ignored repeated requests and failed to provide the Commission with data. Swepco accounted for *** percent of domestic production in 1999.

Source: Data for 1989-91 and for 1997-99 are from the confidential first review report (INV-X-192, August 23, 2000, as revised by INV-X-197, August 29, 2000) ("confidential first review report"), table I-2, pp. I-5-6; data for 2000-05 are compiled from data submitted in response to Commission questionnaires and from official Commerce statistics, unless otherwise noted.

Figure I-1
WSS pipes and pressure tubes: U.S. imports from Korea (welded A-312 pipes), Taiwan (welded A-312 pipes from subject suppliers), and all other sources, 1989-91, 1997-99, and 2000-05

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STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory Criteria

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

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

> *(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--*
>
> *(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,*
>
> *(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,*
>
> *(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and*
>
> *(D) in an antidumping proceeding . . ., (Commerce's findings) regarding duty absorption . . ..*
>
> *(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including–*
>
> *(A) any likely increase in production capacity or existing unused production capacity in the exporting country,*
>
> *(B) existing inventories of the subject merchandise, or likely increases in inventories,*
>
> *(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and*

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

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

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

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

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

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

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

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

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

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

Organization of the Report

Information obtained during the course of the reviews that relates to the above factors is presented throughout this report. A summary of data collected in the reviews is presented in appendix C. U.S. industry data are based on questionnaire responses of 11 U.S. producers that account for nearly all current domestic production of WSS pipes and pressure tubes.[21] U.S. import data are based on official

[21] Davis Pipe declared Chapter 11 bankruptcy in September 2002 and Chapter 7 bankruptcy in February 2003. At that point (February 2003) Davis Pipe ceased to exist; its records are no longer available. International Tubular Products ("ITP") was purchased as a whole business unit by Valtimet in December 2002, and was ***. No records are reported to exist for any operations of the ITP facilities either before Valtimet took possession or after. Swepco Tube of Clifton, NJ, remains active but did not provide data to the Commission, despite repeated requests. Swepco (continued...)

Commerce statistics and confidential Customs data.[22] Responses by U.S. producers, U.S. importers, and U.S. purchasers of WSS pipes and pressure tubes, as well as a Taiwan producer of welded A-312 pipes, to a series of questions concerning the significance of the existing antidumping duty orders and the likely effects of revocation are presented in appendix D. Responses to the Commission's request to U.S. producers, U.S. importers, and U.S. purchasers to compare and contrast certain aspects of ASTM-312 WSS pipes and ASTM A-778 WSS pipes, as well as to compare and contrast certain aspects of ASTM-312 WSS pipes and any other (non-ASTM A-778) WSS pipes are presented in appendix E.

COMMERCE'S REVIEWS

Administrative Reviews

Korea

Since its notice of amended final determination and antidumping duty order on welded A-312 pipes from Korea,[23] Commerce has initiated four administrative reviews with respect to Korea. However, only one of the four reviews was completed. The three terminated requests covered the periods December 1, 1995, through November 30, 1996 (requested by petitioners); December 1, 1996, through November 30, 1997 (requested by SeAH Steel Corp.); and December 1, 1998, through November 30, 1999 (requested by SeAH Steel Corp.); each was terminated, effective September 9, 1997, April 22, 1998, and August 10, 2000, respectively, following timely withdrawal of the request for review by the requesting party.

As a result of a changed circumstances review, Commerce determined that SeAH Steel Corp. was the successor to Pusan Steel Pipe (which in turn had acquired the production assets of Sammi Metals Products Co.) and assigned the 2.67 percent antidumping deposit rate applicable to Pusan Steel Pipe to SeAH Steel Corp.[24] This rate was lowered to 1.02 percent following Commerce's notification in the *Federal Register* on May 10, 2000, of its final results for the only administrative review of the order (for the period December 1, 1997, through November 30, 1998) that it has completed thus far.[25]

Taiwan

As shown in the following tabulation, there have been five administrative reviews of the antidumping duty order on welded A-312 pipes from Taiwan initiated and completed by Commerce, the first and second having been jointly published. A sixth administrative review of the antidumping duty order on welded A-312 pipes from Taiwan was initiated on February 1, 2006, at the request of Froch

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[21] (...continued)
accounted for *** percent of domestic production of WSS pipes and pressure tubes in 1999.

[22] The Commission received incomplete responses to questionnaires regarding U.S. subject imports of WSS pipes and tubes from Korea and Taiwan. A number of firms did not respond at all to the questionnaire. Staff compiled import data primarily from official statistics, along with data reported to U.S. Customs and Border Protection to identify subject and nonsubject imports.

[23] *Notice of Amended Final Determination and Antidumping Duty Order: Certain Welded Stainless Steel Pipe From the Republic of Korea,* 60 FR 10064, February 23, 1995.

[24] *Certain Welded Stainless Steel Pipe From Korea; Final Results of Antidumping Duty Changed Circumstances Review,* 63 FR 16979, April 7, 1998.

[25] *Certain Welded ASTM A–312 Stainless Steel Pipe From the Republic of Korea; Final Results of Antidumping Duty Administrative Review,* 65 FR 30071, May 10, 2000.

Enterprise (formerly Jaung Yuann Enterprise Co., Ltd.), and subsequently was rescinded on June 21, 2006.[26]

Federal Register notice	Period(s) covered by review	LTFV margin *(percent)*
July 14, 1997 (62 FR 37543)	December 1, 1994 through November 30, 1995	Ta Chen, 6.06[1]
July 16, 1998 (63 FR 38382)	December 1, 1995 through November 30, 1996	Ta Chen, 0.10[1 2]
June 22, 1999 (64 FR 33243)	June 22, 1992 through November 30, 1993, and December 1, 1993 through November 30, 1994	Ta Chen, 31.90[1 3]
June 26, 2000 (65 FR 39367)	December 1, 1997 through November 30, 1998	Ta Chen, 0.47[1 2 4]

[1] For previously reviewed or investigated companies other than Ta Chen, the cash deposit rate will continue to be the company-specific rate published for the most recent period; if the exporter is not a firm covered by the review, a prior review, or the LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacture of the merchandise; and if neither the exporter nor the manufacturer is a firm covered in this or any other previous administrative review conducted by Commerce, the cash deposit rate will be 19.84 percent.
[2] Because of its de minimis margin, the cash deposit rate was zero.
[3] The cash deposit rate established for the review period ending on November 30, 1996, remains in effect.
[4] For all merchandise produced by Ta Chen and also exported by Ta Chen, cash deposits will no longer be required and the suspension of liquidation will cease for entries made on or after December 1, 1998.

As seen in the above tabulation, Commerce revoked the antidumping duties assessed on Ta Chen as of December 1, 1998, as a result of an administrative review covering December 1, 1997 through November 30, 1998.[27] The administrative review was initiated at the request of Ta Chen, in accordance with 19 CFR 351.222(e), on December 29, 1998. Commerce determined in the final results for this administrative review that Ta Chen had a de minimis margin and met the requirement of three consecutive years of zero or de minimis margins on welded A-312 pipes, and therefore, revoked the order with respect to Ta Chen.[28]

Expedited Reviews of Orders

On January 3, 2006, Commerce published the final results of its expedited reviews of the antidumping duty orders on welded A-312 pipes from Korea and Taiwan, determining that revocation of

[26] *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part,* 71 FR 5241, February 1, 2006, and *Certain Welded ASTM A–312 Stainless Steel Pipe From Taiwan: Notice of Rescission of Antidumping Duty Administrative Review,* 71 FR 36518, June 27, 2006.

[27] *Certain Welded Stainless Steel Pipe From Taiwan: Final Results of Antidumping Duty Administrative Review and Determination To Revoke Order In Part,* 65 FR 39367, June 26, 2000.

[28] In the fourth administrative review period, Ta Chen had a de minimis margin of 0.10 percent. *Certain Welded Stainless Steel Pipe from Taiwan: Final Results of Administrative Review,* 63 FR 38382, July 16, 1998. While no fifth administrative review was conducted, the Department's regulations state at 19 CFR 351.222(d) that the Department "need not have conducted a review of an intervening year." In this sixth administrative review period, Ta Chen had a de minimis margin in the preliminary results. *Certain Welded Stainless Steel Pipe From Taiwan: Preliminary Results of Antidumping Administrative Review and Intent To Revoke in Part,* 64 FR 71728, December 22, 1999.

the antidumping orders would likely lead to continuation or recurrence of dumping at the rates listed below:[29]

Manufacturer/producer/exporter	Margin (*percent*)
Korea:	
Pusan Steel Pipe Co. Ltd. (now SeAH Steel Corporation)	2.67
Sammi Metal Products Co., Ltd.	7.92
All others	7.00
Taiwan:	
Jaung Yuann Enterprise Co., Ltd.	31.90
Yeun Chyang Industrial Co., Ltd.	31.90
All others	19.84

DISTRIBUTION OF CONTINUED DUMPING AND SUBSIDY OFFSET ACT FUNDS

Qualified U.S. producers of welded stainless steel pipes and pressure tubes are eligible to receive disbursements from the U.S. Customs and Border Protection ("Customs") under the Continued Dumping and Subsidy Offset Act of 2000 ("CDSOA"), also known as the Byrd Amendment. Between 2001 and 2005, four firms, Marcegaglia (known as Damascus Tubular Products until 2002), Bristol Metals ("Bristol"), Crucible Materials, and Outokumpu Stainless Pipe, Inc. ("Outokumpu", known as Avesta Sheffield Pipe Co. until 2000) received such funds. The United Steelworkers of America also received disbursements. Table I-2 presents CDSOA claims and disbursements for Federal fiscal years 2001-05.

Table I-2
Welded A-312 pipes: CDSOA claims and disbursements, Federal fiscal years 2001-05[1]

Year	Order	Claimant	Share of yearly allocation	Certification amount	Amount disbursed
			Percent	***Dollars***	
2001	A-580-810 (Korea)	Damascus Tubular Products	35.05	322,646,000	36,653
		Bristol Metals	49.80	458,419,000	52,077
		Crucible Materials	15.15	139,516,411	15,849
		United Steelworkers of America	0.00	16,860	2
		Subtotal	100.00	920,598,271	104,581
	A-583-815 (Taiwan)	Damascus Tubular Products	35.05	322,646,000	55,051
		Bristol Metals	49.79	458,419,000	78,218
		Crucible Materials	15.15	139,516,411	23,805
		United Steelworkers of America	0.01	68,098	12
		Subtotal	100.00	920,650,319	157,086

Table continued on following page.

[29] *Welded ASTM A-312 Stainless Steel from South Korea and Taiwan: Notice of Final Results of Expedited ("Sunset") Reviews of Antidumping Duty Orders*, 71 FR 96, January 3, 2006. In the text of the notice, HTS subheading 7306.40.5065 was cited; however, this subheading was divided into two subheadings (7306.40.5062 and 7306.40.5064) as of January 1996.

Table I-2--*Continued*
Welded A-312 pipes: CDSOA claims and disbursements, Federal fiscal years 2001-05[1]

Year	Order	Claimant	Share of yearly allocation	Certification amount	Amount disbursed
			Percent	***Dollars***	
2002	A-580-810 (Korea)	Marcegaglia USA (formerly Damascus Tubular Products)	40.72	338,283,000	38,487
		Bristol Metals	59.28	492,406,924	56,021
		United Steelworkers of America	0.00	16,858	2
		Subtotal	100.00	830,706,782	94,510
	A-583-815 (Taiwan)	Marcegaglia USA (formerly Damascus Tubular Products)	40.72	338,265,000	0
		Bristol Metals	59.27	492,380,783	0
		United Steelworkers of America	0.02	169,647	0
		Subtotal	100.00	830,815,430	0
2003	A-580-810 (Korea)	Bristol Metals	59.51	570,054,685	18,646
		Marcegaglia USA	39.75	380,759,000	12,455
		Crucible Materials	0.74	7,064,586	231
		Subtotal	100.00	957,878,271	31,332
	A-583-815 (Taiwan)	Bristol Metals	59.51	570,054,685	149,635
		Marcegaglia USA	39.75	380,779,000	99,952
		Crucible Materials	0.74	7,056,630	1,852
		Subtotal	100.00	957,890,315	251,439

Table continued on following page.

Table I-2--*Continued*
Welded A-312 pipes: CDSOA claims and disbursements, Federal fiscal years 2001-05[1]

Year	Order	Claimant	Share of yearly allocation	Certification amount	Amount disbursed
			Percent	*Dollars*	
2004	A-580-810 (Korea)	Bristol Metals	40.53	629,612,256	37,536
		Outokumpu Stainless Pipe, Inc.	21.93	341,700,581	20,312
		Marcegaglia USA Inc.	26.66	414,114,545	24,689
		Crucible Materials	10.87	165,869,000	10,068
		Subtotal	100.00	1,551,296,382	92,604
	A-583-815 (Taiwan)	Bristol Metals	40.61	629,511,147	23,528
		Outokumpu Stainless Pipe, Inc.	21.98	340,700,581	12,734
		Marcegaglia USA Inc.	26.71	414,047,049	15,475
		Crucible Materials	10.70	165,869,000	6,199
		Subtotal	100.00	1,550,127,777	57,936
2005	A-580-810 (Korea)	Marcegaglia USA Inc.	26.86	450,334,748	34,299
		Bristol Metals	40.92	686,098,720	52,255
		Outokumpu Stainless Pipe, Inc.	22.06	369,775,983	28,163
		Crucible Materials	10.16	170,388,852	12,977
		Subtotal	100.00	1,676,598,303	127,694
	A-583-815 (Taiwan)	Marcegaglia USA Inc.	23.86	450,276,553	2,942,604
		Bristol Metals	40.92	686,011,619	4,483,158
		Outokumpu Stainless Pipe, Inc.	22.06	369,783,561	2,416,574
		Crucible Materials	10.16	170,383,143	1,113,472
		Subtotal	100.00	1,676,454,876	10,955,808

[1] The Federal fiscal year is October 1-September 30. Data are reported as published.

Source: Customs' *CDSOA Annual Reports FY 2001-2005*, found at http://www.cbp.gov/xp/cgov/import/add_cvd/cont_dump/.

THE SUBJECT MERCHANDISE

Commerce's Scope

The products subject to the antidumping orders under review, as defined by Commerce, are:

> WSSP that meets the standards and specifications set forth by the American Society for Testing and Materials for the welded form of chromium–nickel pipe designated ASTM A–312.[30] The merchandise covered by the scope of each order also includes austenitic welded stainless steel pipes made according to the standards of other nations which are comparable to ASTM A–312. WSSP is produced by forming stainless steel flat–rolled products into a tubular configuration and welding along the seam. WSSP is a commodity product generally used as a conduit to transmit liquids or gases. Major applications for steel pipe include, but are not limited to, digester lines, blow lines, pharmaceutical lines, petrochemical stock lines, brewery process and transport lines, general food processing lines, automotive paint lines, and paper process machines.[31]

Tariff Treatment

WSS pipes and pressure tubes are included under Harmonized Tariff Schedule of the United States ("HTS") subheading 7306.40.50.[32] Welded A-312 pipes are included in six specific statistical reporting numbers under HTS subheading 7306.40.50 described in Commerce's scope (or, in one instance, replacement statistical reporting numbers). Non-A-312 WSS pipes and pressure tubes are presumed to be located primarily within the four remaining statistical reporting numbers under HTS subheading 7306.40.50.[33] Each of the covered HTS statistical reporting numbers include products in addition to welded A-312 pipes. These statistical reporting numbers are believed to include primarily subject products but also include modest quantities of nonsubject products. As shown in the following tabulation, U.S. imports of WSS pipes and pressure tubes are free of duty under the general duty column.

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[30] This designation covers both seamless and welded austenitic (chromium-nickel) pipes; however, as stated above, only the welded product is subject to the original investigations and to these reviews.

[31] *Welded ASTM A–312 Stainless Steel Pipe from South Korea and Taiwan: Notice of Final Results of Expedited (''Sunset'') Reviews of Antidumping Duty Orders*, 71 FR 96, January 3, 2006.

[32] Commerce stated that imports of subject welded A-312 pipes are currently covered by the following HTS statistical reporting numbers: 7306.40.5005, 7306.40.5015, 7306.40.5040, 7306.40.5065, and 7306.40.5085. According to Commerce in its review determination, although these subheadings include both pipes and tubes, the scope of these antidumping duty orders is limited to welded austenitic stainless steel pipes. Commerce further stated that the HTS statistical reporting numbers are provided for convenience and Customs purposes and their written description of the scope of the orders is dispositive. *See Welded ASTM A-312 Stainless Steel Pipe from South Korea and Taiwan: Notice of Final Results of Expedited ("Sunset") Reviews of Antidumping Duty Orders*, 71 FR 96, January 3, 2006. HTS 7306.40.5065 listed in the Commerce notice is no longer a valid statistical reporting number, having been replaced by 7306.40.5062 and 7306.40.5064 as of January 1, 1996.

Subject product over 406.4 mm (16 inch) in diameter is classified, along with nonsubject pipes and tubes of alloy steel other than stainless steel, in HTS subheading 7305.31.60. The general rate of duty for all subject product is "Free." Staff believes there are minimal imports of these (non-ASTM A-312) WSS pipes and pressure tubes.

[33] Non A-312 WSS pipes and pressure tubes are assumed to constitute the majority of the imports under the remaining statistical reporting numbers included in HTS subheading 7306.40.50, specifically 7306.40.5042, 7306.40.5044, 7306.40.5080, and 7306.40.5090.

HTS provision	Stat Suffix	Article description	General[1]	Column 2[2]
			Rates *(percent ad valorem)*	
7306		Other tubes, pipes, and hollow profiles (for example, open seamed or welded, riveted or similarly closed, of iron or steel:		
		Other, welded, of circular cross section, of stainless steel:		
7306.40		Having a wall thickness of 1.65 mm or more		
7306.40.50			Free	11.0
	05	Of high-nickel alloy steel		
		Other:		
	15	Suitable for use in boilers, superheaters, heat-exchangers condensers, refining furnaces and feedwater heaters, whether or not cold-drawn		
		Other, cold-drawn or cold-rolled (cold-reduced):		
	40	Containing more than 0.5 percent but less than 24 percent by weight of nickel		
		Other:		
	42	Containing less than 15 percent by weight of chromium		
	44	Other		
		Other:		
		With an outside diameter not exceeding 114.3 mm:		
		Containing more than 0.5 percent but less than 24 percent by weight of nickel:		
	62	Containing more than 1.5 percent but less than 5 percent by weight of molybdenum		
	64	Other		
	80	Other		
		With an outside diameter exceeding 114.3 mm but not exceeding 406.4 mm:		
	85	Containing more than 0.5 percent but less than 24 percent by weight of nickel		
	90	Other		

[1] Normal trade relations, formerly known as the most-favored-nation duty rate, applicable to imports from Korea and Taiwan.
[2] Applies to imports from a small number of countries that do not enjoy normal trade relations duty status.

Source: Harmonized Tariff Schedule of the United States (2006).

THE DOMESTIC LIKE PRODUCT

General Description

The term "WSS pipes and pressure tubes" includes any welded pipe that is made from stainless steel, whether austenitic, ferritic, or martensitic, and any welded austenitic stainless steel pressure tubes. "Pipes," "tubes," and "tubing" are terms that designate hollow forms that are used for conveying gases, liquids and solids, and for a diversity of mechanical and structural purposes. There is no easy rule for distinguishing among the terms except by general usage. The process or processes employed in the production of pipe are the same as those used in producing round tubes.[34] Pipes are produced in relatively few standard sizes that are defined by a nominal diameter and wall thickness[35] and designed to be used with standard pipe fittings. Pipes are normally used as conduits for liquids or gases. Tubes, on the other hand, may be of any shape, including circular, square, rectangular, and other shapes and are generally made to more exacting specifications for dimensions, finish, and mechanical properties.[36] Tube sizes are defined by outside diameter ("O.D.") (which may be the same as that of a standard size pipe) and by wall thickness.

Applications

Most stainless steel pipes and tubes are produced to conform to one or more standard specifications published by the American Society for Testing and Materials. ASTM specifications A-312, A-778, A-358, and A-409 cover pipes, and ASTM A-249, A-269, and A-270 cover tubes. Together, these tubular products make up the product range of WSS pipes and pressure tubes.[37]

Welded A-312 pipes are designed for high temperature and general corrosive service, and therefore must be annealed.[38] Major uses for welded A-312 pipes include digester lines, pharmaceutical production lines, petrochemical stock lines, automotive paint lines, and various processing lines such as those in breweries, paper mills, and general food facilities.[39]

ASTM A-778 pipes are most often used in the pulp/paper industry and for wastewater applications, owing to their ability to withstand high temperatures and corrosive contact, albeit somewhat less than A-312 pipes (since ASTM-778 pipes are not required to be annealed). A-778 pipes are also used in corn processing (to ethanol) and low-pressure fluid transfer systems.[40]

ASTM A-358 pipes are used in critical applications where failure of the weld might have serious consequences, such as in nuclear power plants and liquified natural gas facilities.

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[34] Iron and Steel Society, *Steel Products Manual: Stainless Steels*, 1999, p. 237.

[35] The size of a pipe is defined by the nominal pipe size ("NPS"), which is a dimensionless designator that has been substituted for such traditional terms as "nominal diameter." Pipes in nominal sizes of 1/8 to 12 are based on a standardized O.D. that was originally selected so that pipe having a wall thickness that was typical of the period would have an inside diameter in inches approximately equal to the nominal size. For pipe in nominal sizes of 14 and larger, the O.D. is equal in inches to the nominal size.

[36] Iron and Steel Society, *Steel Products Manual: Stainless Steels*, 1999, p. 237.

[37] In general, the descriptions of the uses for both welded A-312 pipes and all of the other WSS pipes and pressure tubes are taken from *Certain Welded Stainless Steel Pipes from the Republic of Korea and Taiwan, Invs. Nos. 731-TA-540-541 (Final)*, USITC Publication 2585, December 1992, pp. I-10 and I-11, unless otherwise noted. The physical description of the various grades of WSS pipes and pressure tubes is compiled from the standards and specifications published by the American Society of Testing and Materials.

[38] Annealing is a process in which the subject material is heated to a temperature of about 1,900 degrees Fahrenheit followed by rapid cooling. This specific heat treatment technique alters the micro-structure of the subject material, causing changes in properties such as strength and hardness.

[39] ***.

[40] ***.

ASTM A-409 pipes, which are limited to large diameter (NPS 14 to 30), thin-wall pipe, are generally used in applications requiring withstanding corrosive or high temperature conditions, such as in water well casings.

Welded stainless steel pressure tubes are more commonly used in heat-transfer applications or to transform products from one product form to another (for example, in chemical processing). ASTM A-249, A-269, and A-688 tubes are used primarily in heating and cooling apparatus such as heat exchangers, condensers, boilers, and feed water heaters. Among the industries using these tubing products are producers of ethanol, pharmaceuticals, and foods and beverages.[41] ASTM A-270 pressure tubes have a polished finish on either the inside or the outside of the tube, or both, and are intended for applications in the dairy and food industries.

Production Processes

There are two stages in the production of welded A-312 pipes and other WSS pipes and pressure tubes: forming the tubular shape and welding the product. Two common methods are used to form the tubular shape, namely, the continuous-mill process and the press-brake process.[42]

The continuous-mill process, which is the principal method of producing WSS pipes and tubes, begins with coils of sheet, strip, or plate. Coiled steel, of a width essentially equal to the outside diameter of the pipe to be produced, is set up in an uncoiler and fed into a series of paired forming rolls. As it progresses through the rolls, its cross-sectional profile is formed into a tubular shape with the butted edges ready for welding as described below.

The second method of manufacturing welded stainless steel pipes and tubes is the press-brake process, a batch process in which a press gradually bends cut-to-length sheet into a cylindrical shape with the butted edges ready for welding as described below.[43] The starting sheet is of a width essentially equal to the outside diameter and a length equal to the length of the piece of pipe to be produced. The press-brake process is labor-intensive, and is used primarily for the production of pipes in larger diameters.

In the welding stage, the butt edges are welded together by an automatic welding machine using either the tungsten inert gas ("TIG") welding process[44] or the laser welding process. Both methods allow welding without filler material,[45] complete fusion of butted edges, and shielding of the weld area with inert gas to prevent oxidation. In the TIG welding process, welding heat is provided by an electric arc between a tungsten electrode and the pipe edges. In the laser welding process, a laser beam is directed to the weld butt joint, forming a deep-penetration fusion weld. The laser process is capable of a higher speed of operation than is the TIG process.

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[41] ***.

[42] An additional method of WSS pipe and tube manufacture is the less commonly used spiral-weld process in which a steel strip is spiraled and welded along the spiral. This process can be used to produce pipes of any diameter, but the looped weld running throughout the product, rather than along a single straight weld, is reportedly a disadvantage in terms of weld refinement and potential end use. The spiral-weld process cannot be used for welded A-312 pipes, as that ASTM specification requires straight-seam welding. The spiral-weld process is only used for larger-diameter WSS pipes and pressure tubes, and requires a separate non-inline annealing step owing to the nonlinear weld.

[43] This is called a "batch" process (rather than "continuous") because each individual length of pipe is bent and welded individually.

[44] Also known as the gas tungsten-arc welding ("GTAW") process.

[45] Although the TIG process can use filler metal, the laser process does not allow for the use of filler metal. WSS pipes produced in accordance with the standard for ASTM A-312, according to the ASTM, may not be made with filler metal.

For continuous welded pipe, the pipe continues after welding through an in-line annealing furnace,[46] then through straightening and, finally, cutting to length. Batch welded pipe must be annealed in a separate operation, and subsequently pickled in acid.

ASTM A-249 and A-269 specifications for pressure tubes are similar to that for A-312 pipes in that the process of annealing is required after welding. Tubular products produced to A-249 specification must be cold worked (planished) in the weld bead before annealing.[47] Alternatively, and for tube too small in diameter to weld, the product tubing must be cold drawn from a larger size and subsequently annealed and pickled. The A-269 specification is similar to A-249 in that it requires post-weld annealing but A-269 products may or may not be cold worked, depending upon the diameter, wall thickness, and manufacturer's capabilities. For some products, the removal or smoothing of the interior weld bead is required prior to annealing.

Marketing

As shown in table I-3, welded A-312 pipes (and other commodity-grade pipes and tubes) are largely sold to distributors, and rarely sold directly to end users. Other WSS pipes and pressure tubes are sometimes produced to an end user's specifications (length, etc.), and, therefore, there are a number of sales reported directly to end users. However, the majority of sales of other WSS pipes and pressure tubes also are to distributors.[48] As shown in table I-3, the share of these non-A-312 WSS pipes and pressure tubes shipped to distributors fell from 68.0 percent in 2000 to 60.7 percent in 2005. Overall, three producers of other stainless steel pipes and pressure tubes shipped exclusively to distributors while three shipped to both distributors and end users and two shipped exclusively to end users.[49]

[46] In-line annealing normally is performed in a nonoxidizing atmosphere, a process known as "bright annealing." Product that is annealed by other than bright annealing must be pickled in acid to remove surface oxides and produce a "bright" finish.

[47] Cold-working and planishing are finishing steps to assure a smooth surface, particularly in the area of the weld. Cold-working is defined as "altering the shape or size of a metal by plastic deformation. Processes include rolling, drawing, pressing, spinning, extruding and heading, it is carried out below the recrystallisation point, usually at room temperature. Hardness and tensile strength are increased with the degree of cold work while ductility and impact values are lowered. The cold rolling and cold drawing of steel significantly improves surface finish." Planishing is defined as producing a smooth surface finish on metal by rapid succession of blows delivered by highly polished dies or by a hammer designed for the purpose, or by rolling in a planishing mill. (Taken from http://metals.about.com/library/bldef-Cold-Working.htm, retrieved May 22, 2006.)

[48] Distributors in the U.S. WSS pipe and pressure tube market can be broadly categorized as either traditional distributors, who sell primarily to end users, or master distributors who also sell to other distributors. Excluded from this table are shipments from ***, that went to "fabricators," who further process the pipes and tubes.

[49] Compiled from responses to Commission's questionnaires.

Table I-3
WSS pipes and pressure tubes: Channels of distribution for U.S. producers' U.S. shipments, 2000-05, January-March 2005, and January-March 2006

Item	Calendar year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
	Share of quantity (*percent*)							
U.S. producers' U.S. shipments of welded A-312 pipes--								
To distributors	92.0	97.9	97.7	97.4	97.0	97.6	94.8	98.8
To end users	8.0	2.1	2.3	2.6	3.0	2.4	5.2	1.2
U.S. producers' U.S. shipments of other WSS pipes and tubes[1]--								
To distributors[2]	68.0	65.0	65.1	65.8	63.5	60.7	53.4	55.1
To end users[3]	32.0	35.0	34.9	34.2	36.5	39.3	46.6	44.9
U.S. producers' U.S. shipments of all WSS pipes and tubes--								
To distributors	84.9	87.5	87.5	87.3	85.2	83.4	80.6	82.0
To end users	15.1	12.5	12.5	12.7	14.8	16.6	19.4	18.0

[1] According to an industry source, ***, the variation in the share of shipments from the annual data to the quarterly data is not related to any specific annualized occurrence. Since shipments to end users are project-driven, the quarterly data may vary substantially from year-to-year.
[2] ASTM A-778 pipes were sold exclusively to distributors during the period for which data were collected.
[3] ASTM A-778 pipes were not sold to end users during the period for which data were collected.

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

DOMESTIC LIKE PRODUCT ISSUES

This section presents information related to the Commission's determination regarding the "domestic like product."[50] In its original investigations, the Commission considered whether the like product should be identical to the articles subject to investigation, i.e., ASTM A-312 pipes[51] only, as argued by the petitioners, or should include all welded stainless steel pipes and tubes, as argued by the respondents. The Commission considered four separate categories of pipes and tubes, other than ASTM A-312, for possible inclusion in the domestic like product: non-A-312 pipes; austenitic pressure tubes; mechanical tubes; and grade 409 tubes. The Commission determined that mechanical tubes and grade 409 tubes were not like A-312 pipes, but that the domestic like product should consist of all welded stainless steel pipes and welded stainless steel pressure tubes other than mechanical and grade 409 tubes.[52]

In the first five-year reviews, the domestic interested parties argued that only A-778 pipes and A-312 pipes should be included within the definition of the domestic like product and that all other pressure tubing and pipes should be excluded. Korean respondent interested parties urged the Commission

[50] The Commission's determination regarding the appropriate domestic products that are "like" the subject imported products generally is based on a number of factors including (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) common manufacturing facilities and production employees; (5) customer and producer perceptions; and where appropriate, (6) price.

[51] Throughout the "Domestic Like Product Issues" section of this report, the term "A-312 pipes" is understood to include only welded ASTM A-312 stainless steel pipes.

[52] *Certain Welded Stainless Steel Pipes and Tubes from the Republic of Korea and Taiwan, Invs. Nos. 731-TA-540 and 541 (Final),* USITC Publication 2585, December 1992, pp. 5-17.

not to depart from the domestic like product definition in the original investigations. The Commission found no significant changes in the products at issue or in the factors it considers in its determinations, nor any other appropriate circumstance warranting revisiting its original like product determination. Therefore, the Commission once again defined the domestic like product as all welded stainless steel pipes and pressure tubes.[53]

In response to a question soliciting comments regarding the appropriate domestic like product in the Commission's notice of institution of these second reviews, domestic producers agreed with the like product determination made in the initial five-year reviews.[54] However, in response to questions raised at the hearing, domestic producers stated that they believed that the domestic like product definition should be narrowed to exclude certain types of pipe and pressure tubing; and that only ASTM A-312 and A-778 should comprise the domestic like product for these reviews.[55]

Physical Characteristics and Uses

Most stainless steel pipes and tubes are produced to conform to one or more of the standard specifications published by the American Society for Testing and Materials. WSS pipes include ASTM A-312 and A-778 pipes, as well as ASTM A-358 and A-409 pipes. Pressure tubes comprise primarily ASTM specifications A-249, A-269, and A-270. All are produced almost exclusively in either of two common grades (defined by chemical composition and physical requirements) of stainless steel: 304/304L or 316/316L.[56]

ASTM specification A-312 is the most common specification for stainless steel pipe, and accounts for most of the stainless steel pipe consumed in the United States. The specification for A-312 pipe requires that it be straight-seam welded without the use of filler metal in the weld, and that the pipe be annealed after welding. Welded A-312 pipes are designed for high temperature and general corrosive service.

According to ***, commodity pipe (primarily A-312) in diameters of NPS ½ to 6 represents 70 percent of the industry's domestic sales in feet.[57] *** states that (welded) A-312 (pipes) in diameters of NPS ½ to 12 represents 80 to 90 percent of the market.[58]

Other specifications for welded, austenitic stainless steel pipes are ASTM A-358, A-409, and A-778. A-778 is most similar to A-312, but differs in that post-weld annealing of the pipe is not

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[53] *Certain Welded Stainless Steel Pipes and Tubes from Korea and Taiwan, Invs. Nos. 731-TA-540 and 541 (Review),* USITC Publication 3351, September 2000, pp. 4-5.

[54] Domestic Producers' Response to the Notice of Initiation of the Five-Year Review, October 20, 2005, p 13. Also, as noted in Domestic Interested Parties' prehearing brief, p. 3, "no party has contested the like product findings previously made by the Commission."

[55] Hearing transcript, pp. 48-49 (Schagrin). Domestic Interested Parties' posthearing brief, p. 3.

[56] Type 304 is the most widely used austenitic stainless steel. It is resistant to food processing environments, except for high-temperature conditions involving high acid and chloride contents, and it resists organic chemicals, dyestuffs, and a wide variety of inorganic chemicals. Type 316 has corrosion resistance superior to that of Type 304 in many types of chemical corrodents, as well as marine atmospheres. It also has higher strength at elevated temperatures. Type 316 contains a minimum of 2 percent of molybdenum and 10 percent of nickel compared to no molybdenum and 8 percent of nickel in Type 304. The chromium content of Type 316 is 16 percent compared to 18 percent for Type 304. Both Types 304 and 316 contain a maximum of 0.08 percent of carbon. Extra-low carbon grades, Types 304L and 316L, containing a maximum of 0.03 percent carbon, are more suitable for applications involving welding. Welded pipes and tubes are usually produced using steel that meets the requirements of both the regular grade and the extra-low carbon grade, designated 304/304L or 316/316L. Iron & Steel Society, *Steel Products Manual: Stainless Steels, 1999,* pp. 86 and 114.

[57] Letter from ***, dated April 19, 2006, submitted with producer questionnaire.

[58] Staff field trip report, ***, April 21, 2006.

required.[59] The annealing causes the grain characteristics of A-312 pipes to be homogenized, while those of A-778 pipes are not.[60] A-778 pipes are produced only in grades that are least susceptible to corrosion in the heat-affected zone surrounding the weld of the pipe, a potential problem which is avoided by post-weld annealing.

A-358 pipes must meet particularly stringent requirements. Such pipes are welded using a consumable stainless steel welding rod whereas A-312 and A-778 pipes are welded without the use of filler material. A-358 pipes are more extensively tested, using x-ray radiography to assure the soundness of the weld, and are used for critical applications such as in nuclear power plants. A-409 pipes are produced only in the size range of NPS 14 to 30, and are often produced by spiral forming and annealed after welding.[61] While A-312 pipes are also produced in this size range, spiral forming is not used for A-312 pipes. Moreover, most A-312 pipes are produced in the size range of NPS ½ to 12. A-778 pipes may be produced by spiral forming.[62]

Welded stainless steel pressure tubes are described in ASTM standards A-249, A-269, and A-270. Production of pressure tubes is generally limited to sizes up to 6 inches in outside diameter. Tolerances are generally tighter (less variation in wall thickness or diameter is allowed) but tubes are produced in the same manner as pipes. Post-weld annealing of pressure tubes is required, and post-weld cold working or planishing of the weld may be required. A-270 pressure tubes differ from A-249 and A-269 tubing, as A-270 tubes are required to have a polished finish on either the inside or the outside walls, or both. Whereas pipes are produced in a limited number of standard sizes, tubing may be of any size and wall thickness, although outside diameters in whole or common fractional numbers of inches are most common. Also of note is that A-312 and A-778 pipes cannot be used in place of any of the A-249 or A-269 tubes as heat exchangers.[63]

Interchangeability

According to the domestic interested parties, A-312 and A-778 pipes are the only "true pressure pipe products."[64] The domestic interested parties note that "A-312 is always substitutable for A-778, but

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[59] ASTM A-778 is listed in the ASTM as having a diameter range of 3" to 14". However, a note attached to the ASTM states that if the pipe meets the other ASTM specifications even though it is a non-included diameter, it can still be classified as A-778.

[60] ***.

[61] *ACTIVE STANDARD: ASTM A409/A409M-01 (2005) Standard Specification for Welded Large Diameter Austenitic Steel Pipe for Corrosive or High-Temperature Service,* defines characteristics associated with ASTM A-409 pipe, specifically: A-409 "covers straight seam or spiral seam electric-fusion-welded, light-wall, austenitic chromium-nickel alloy steel pipe for corrosive or high-temperature service. The sizes covered are NPS 14 to 30 with extra light (Schedule 5S) and light (Schedule 10S) wall thicknesses. Pipe having other dimensions may be furnished provided such pipe complies with all other requirements of this specification.

In contrast, pipe and tube products composed of Grade 409 steel (excluded from the definition of domestic like product) are based on products made with a specific grade of steel, as defined by chemical composition, mechanical properties, and physical properties. Generally, Grade "409 is a titanium stabilized ferritic stainless steel. Although regarded as a general-purpose chromium stainless steel, the primary application for Grade 409 is automotive exhaust systems. Its applications are those where appearance is a secondary consideration to mechanical properties and corrosion resistance and where some weldability is required." http://www.azom.com/Details.asp?ArticleID=969, retrieved on May 16, 2006.

[62] ASTM, *Standard Specification for Welded, Unannealed Austenitic Stainless Steel Tubular Products.*

[63] Domestic Interested Parties' posthearing brief, p. 5.

[64] Hearing transcript, p. 49 (Schagrin).

A-778 is never substitutable for A-312."[65] Also, "*** routinely offer A-312 in place of A-778," as A-312 is kept in stock and is regarded as a "substitute" for A-778.[66]

A-409 pipes are possibly interchangeable with A-312 pipes, within the limited size range in which A-409 pipes are produced. A-358 pipes might be interchangeable with A-312 or A-778 pipes, but would be limited by the higher price of the A-358 pipes. Substitution of A-312 for A-358 pipes would not be feasible because of the lack of x-ray testing of A-312 pipes, although A-358 pipes can be a used as an upgrade to A-312 pipes.[67]

Substitution between A-312/A-778 pipes and pressure tubes would be unlikely because of incompatibility of sizes and because diameter and thickness tolerances are much more restrictive in the production of pressure tube. However, in some limited cases where heat-exchange capabilities are not involved, A-312 pipes can be used in place of A-249/269 and A-270 tubes, if there is a price differential that makes the A-312 choice attractive.[68] However, domestic A-312 pipes are generally less expensive than A-249/269 pressure tubes, usually by at least 10 percent.[69] One producer contends that imported A-312 pipes have been substituted for A-249/269/270 tubes, increasing the U.S. sales of the imported A-312 pipes.[70]

Channels of Distribution

Pipe products are sold primarily through distributors, whereas pressure tubing products (A-249, 269, and 270) are sold either through distributors or directly to end users (such as power-plant equipment manufacturers).[71] Shipments of A-312 pipes from domestic producers to distributors accounted for 92 percent of reported producer's shipments in 2000, and at least 97 percent of producer's shipments in 2001-05. Shipments of A-778 pipes from domestic producers went exclusively to distributors during 2000-05. Those tubing products sold directly to end users are often produced on a job-specific basis, with special requirements in addition to the basic ASTM specifications (relevant to the ASTM classification of the pipe or tube in question).[72] Of the commercial shipments of WSS pipes and tubes other than both welded A-312 and A-778 pipes in 2000, 41 percent went to end users while 59 percent went to distributors. However, the share of commercial shipments of these tubular products going to end users increased steadily through 2005; shipments to end users in 2005 approached 47 percent.[73]

[65] Domestic Interested Parties' posthearing brief, p. 7.

[66] ***'s producer questionnaire response, section V-4.

[67] ***'s producer questionnaire response, section V-6.

[68] ***'s producer questionnaire response, section V-6.

[69] A-249/269/270 tubes are almost always more expensive than A-312/778. ***'s producer questionnaire response, section V-6.

[70] ***'s producer questionnaire response, section V-6.

[71] Producer questionnaire responses from ***, section V-6.

[72] Producer questionnaire responses from ***, section V-6.

[73] Compiled from responses to the Commission's questionnaire.

Common Manufacturing Facilities, Employees, and Processes

Of the six companies reporting production of welded A-312 pipes, four also reported production of A-778 pipes, all but one reported production of A-249 tubes, and all six reported production of A-269 tubes.[74] ***, reported producing only pressure tubes in ASTM classifications A-249, 269, and 270.[75]

Most producers of welded A-312 pipes also produce some welded pressure tubes,[76] however their practices generally are to produce tubes on different production lines using separate equipment than those used for pipes.[77]

Firms producing both welded A-312 and A-778 pipes can use the same facilities and workers to produce both products (except that A-778 pipes do not require annealing). Other (non-A-778) welded stainless steel pipes and pressure tubes have been reported to be produced at the same facilities as welded A-312 pipes.[78]

***, which manufactures both A-312 pipes and A-249/A-269 pressure tubes, utilizes separate production lines for pipes and tubes.[79] Mr. John Tidlow, of Bristol Tube, noted that as a producer primarily of A-312 pipes, it would require a "significant" investment for them to produce A-249 or A-269 pressure tubing, as it does not have the right annealing facilities, or cut-to-length facilities, or handling or packaging facilities.[80] Also, Bristol noted that the capital investment to obtain and install the equipment necessary to efficiently produce the tubing would be in the ***.[81] Several firms noted that they produce only pressure tubes and do not produce pipes.[82] Production process specifications are different for A-312/778 pipes and pipes produced to ASTM A-409, which is a thin-wall pipe specification also limited to large diameters (NPS 14 to 30), as a result of the welding process. As mentioned previously, A-409 pipes may be produced using a spiral weld, which cannot be used for the ASTM A-312/778 pipes, which require straight-seam welding.[83]

Producer and Customer Perceptions

Producers claim to perceive clear differences between A-312/778 pipes and the ASTM A-249/269/270 pressure tubing.[84] Those producers of WSS pipes that also produce WSS tubes, in general, reportedly choose to use separate equipment to produce tubing, owing to the more limited size range, the need for planishing of the weld, more restrictive tolerances, and the need to produce in longer and/or more closely controlled lengths. Purchasers, too, note differences between pipe and tubing, mentioning the

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[74] Producer questionnaire responses from ***, section V-2.

[75] Producer questionnaire responses from ***, sections II-5 and V-2.

[76] Producer questionnaire responses from ***, section V-2.

[77] Staff field trip report, ***, April 21, 2006.

[78] For example, *** uses the same facilities and workers to make both welded A-312 and A-778 pipes, however, the annealing step is omitted when producing A-778. Staff field trip report, ***, April 21, 2006. *** also uses the same facilities and employees to produce welded A-312 pipes, A-778 pipes, and A-269 pressure tubes. Staff telephone interview with *** on April 4, 2006.

[79] Staff field trip report, April 21, 2006.

[80] Hearing transcript, p. 92 (Tidlow).

[81] Bristol's producer questionnaire response, section V-6.

[82] Producer questionnaire responses from ***.

[83] Domestic Interested Parties' posthearing brief, p. 6.

[84] Producer questionnaires from ***, section V-6.

tighter tolerances for tubing, the differences in sizes, and differences in end-use applications.[85] Producers, in general, view ASTM A-312 and A-778 pipes as commodity products, because they are produced on a continuous basis, marketed exclusively through distributors, and sold primarily on a price basis. The WSS tubing products are viewed as less of a set of commodity products since they are often made specific to an end user's specifications, marketed only some of the time through distributors, and produced on an as-needed basis for specific project needs. Suppliers in general report that although A-312 and A-778 pipes perform similar functions, they cannot be used interchangeably.[86]

Price

A-778 pipes are reportedly priced lower than A-312 pipes, due to the elimination of the requirement for post-weld annealing.[87] *** noted that A-778 pipes average a 3-5 percent lower selling price than A-312 pipes.[88] *** reported that pricing for WSS pressure tubes is close to that of domestic A-312 pipes, but more than the imported A-312 pipes.[89] *** reported the following average selling prices for 2005: ***.[90]

On an annual basis, the unit values for domestic producers' shipments of welded A-312 pipes were between 20 and 30 percent higher than the reported unit values for A-778 pipes.[91] The reported unit values for other WSS pipes and pressure tubes (other than A-778 pipes) ranged from 26 to 75 percent higher than the unit values for welded A-312 pipes.[92]

Also, owing to the specific differences in function between certain of the WSS pressure tubes that are used in heat-exchange processes, the domestic interested parties contend prices of ASTM A-312 and A-778 pipes do not affect the prices of WSS pressure tubes.[93]

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[85] Purchaser questionnaires from ***, section IV-4.

[86] Purchaser questionnaires from ***, section IV-3.

[87] Producer questionnaire responses from ***, section V-5.

[88] ***'s producer questionnaire response, section V-6.

[89] ***'s producer questionnaire response, section V-6.

[90] ***'s producer questionnaire response, section V-6.

[91] Compiled from responses to the Commission's producer questionnaire.

[92] Compiled from responses to the Commission's producer questionnaire. According to data supplied in the questionnaire, the following are the reported unit values (per ton) for welded A-312 pipes, all other WSS pipes and pressure tubes, and A-778 pipes. Also included are the calculated unit values for WSS pipes and pressure tubes with the reported A-778 data subtracted out. This category is believed to account for data primarily for pressure tubes.

Item	2000	2001	2002	2003	2004	2005
Welded A-312 pipes	$3,118.98	$2,568.44	$2,328.05	$2,533.89	$3,925.71	$4,456.60
Other WSS pipes and pressure tubes	$3,777.05	$4,056.27	$3,748.26	$3,821.96	$4,699.73	$5,442.70
A-778	$2,409.30	$2,080.76	$1,928.18	$2,078.54	$3,261.35	$3,437.65
Other WSS pipes and pressure tubes (not including A-778 pipes)	$4,097.90	$4,346.78	$4,068.11	$4,205.75	$4,952.62	$5,722.95

[93] Domestic Interested Parties' posthearing brief, p. 10.

U.S. MARKET PARTICIPANTS

U.S. Producers

In the original investigations, petitioners asserted that there were 31 known producers of welded stainless steel pipes and tubes in the United States.[94] However, only 16 firms *** responded to the Commission questionnaire.[95] Of the 16 respondent companies in the original investigation, 11 were operating under the same name at the time of the first reviews, and 9 during the current reviews. These 9 are Alaskan Copper Companies ("Alaskan," Seattle, WA), Bristol Metals, L.P. (Bristol," Bristol, TN), Greenville Tube ("Greenville," Greenville, PA), Plymouth Tube ("Plymouth," Warrenville, IL), Swepco Tube ("Swepco," Clifton, NJ), Trent Tube Division Crucible Materials Corp ("Trent," East Troy, WI), Rath Gibson ("Rath," North Branch, NJ), United Industries[96] ("United," Beloit, WI), and Webco Tube ("Webco," Mannford, OK).[97] During the period of the original investigations, one reporting firm, Damascus Tube, ceased operations. Between the original investigations and the first reviews, one firm (Allegheny) changed its name, becoming International Tubular Products.

During the period examined in the first reviews of the subject orders on certain WSS pipes from Korea and Taiwan, the domestic industry producing WSS pipes and pressure tubes consisted of 12 companies operating production facilities in 14 locations. In *** in 1999, the U.S. producers were Bristol, Marcegaglia USA, Inc. ("Marcegaglia," Munhall, PA); Felker Brothers Corp. ("Felker," Marshfield, WI); Avesta; Davis Pipe, Inc. ("Davis," Terre Haute, IN); Trent; Swepco; International Tubular Products Inc. ("ITP," Claremore, OK); Alaskan; LTV Copperweld ("LTV," Elizabethtown, KY); Valtimet, Inc. ("Valtimet," Morristown, TN); and Robert Mitchell Co., Inc. ("Mitchell," Portland, ME).[98]

The U.S. industry producing WSS pipes and pressure tubes underwent a number of changes during 2000-05. There were 11 active U.S. producers in 2005. Two of the producers active in 2000 (Davis and ITP) no longer exist; one other producer active in 2000 no longer produces domestically (Mitchell); and several other plants have changed ownership. For example, the LTV plant was acquired by Dofasco, Inc., ("Dofasco") of Hamilton, Ontario, Canada, effective October 3, 2005, as part of Dofasco's purchase of a number of specific assets formerly owned by Copperweld Holding Co. of Pittsburgh, PA (through an initial purchase of these properties by Atlas Tube, Inc.). In 2004, a *** expansion of the existing Dofasco facility allowed for the addition of *** new production lines. Also, Valtimet bought International Tube Company in December 2002 and ***. Finally, three U.S. producers identified as active in 2005 were not identified in the first reviews.[99]

Table I-4 identifies the current U.S. producers, their positions on continuing the antidumping duty orders, production locations, and reported shares of U.S. production of WSS pipes and tubes in 2005.

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[94] *Certain Welded Stainless Steel Pipes from the Republic of Korea and Taiwan, Invs. Nos. 731-TA-540-541 (Final),* USITC Publication 2585, December 1992, pp. I-15.

[95] Report to the Commission on Investigations Nos. 731-TA-540-541 (Final), pp. I-15-18. ***.

[96] ***.

[97] ***.

[98] Confidential first review report, Table I-4, p. I-20.

[99] In addition to the 12 active U.S. producers identified in the first reviews (confidential first review report, table I-4, p. I-20), Greenville Tube, Plymouth Tube, and Webco were also active prior to 2000.

Table I-4
WSS pipes and pressure tubes: U.S. producers, their positions on continuing the antidumping duty orders, production locations, and reported shares of U.S. production, 2005

Firm	Position on continuing the antidumping duty orders	Production location(s)	Types of products produced	Share of 2005 production *(percent)*	Share of total WSS pipes and pressure tubes production *(percent)*
Alaskan Copper Companies, Inc.[1]	***	Seattle, WA	Welded austenitic pipes and pressure tubes Copper nickel pipe and fittings, aluminum fittings	*** ***	***
Bristol Metals, L.P.[2]	Support	Bristol, TN	Welded A-312 pipes Welded A-778 pipes Non-A-312, non-A-778 welded pipes Non-austenitic pipes and tubes	*** *** *** ***	***
Dofasco Tubular Products[4]	***	Elizabethtown, KY	A-249/269 A-270	*** ***	***
Felker Brothers Corp.[5]	***	Marshfield, WI Glasgow, KY	Welded A-312 pipes Welded A-778 pipes Non-A-312, non-A-778 welded pipes Welded austenitic pressure tubes	*** *** *** ***	***
Greenville Tube	***	Clarksville, AR	Welded pressure tubes	***	***
Marcegaglia USA[6]	Support	Greenville, PA (until 12/02) Munhall, PA	Welded A-312 pipes Welded A-778 pipes Welded austenitic pressure tubes Other welded austenitic pipes and tubes Galvanized carbon steel tubing	*** *** *** *** ***	***
Outokumpu Stainless Pipe[7]	***	Wildwood, FL	Welded A-312 pipes Welded A-778 pipes Other welded austenitic pipes and tubes	*** *** ***	***
Plymouth Tube[8]	***	East Troy, WI West Monroe, LA	Other welded austenitic pipes and tubes	***	***
Swepco Tube	***	Clifton, NJ	***	***	***
Trent Tube Division of Crucible Materials Corp.[10]	***	East Troy, WI[8]	Welded A-312 pipes Welded austenitic pressure tubes Other welded austenitic pipes and tubes	*** *** ***	***
Valtimet[11]	***	Morristown, TN	Other welded austenitic pipes and tubes	***	***
Webco[12]	***	Sand Springs, OK	Welded A-312 pipes Welded austenitic pressure tubes Other welded austenitic pipes and tubes Alloy 525, 825, 2507, 2205 pipes and tubes	*** *** *** ***	***

Table continued on following page.

Table I-4--*Continued*
WSS pipes and pressure tubes: U.S. producers, their positions on continuing the antidumping duty orders, production locations, and reported shares of U.S. production, 2005

[1] Owned by Alco Investment Company, Seattle, WA.
[2] Owned by Synalloy Corp., Spartanburg, SC. Bristol is the only Synalloy subsidiary producing WSS pipes and pressure tubes.
[3] Less than 0.5 percent.
[4] Facility opened in March 1999. At that time it was owned and operated by LTV Copperweld. The facility was acquired by Dofasco, Inc., of Hamilton, Ontario, Canada, effective October 3, 2005, as part of Dofasco's purchase of a number of specific assets formerly owned by Copperweld Holding Co. of Pittsburgh, PA, from Atlas Tube, Inc. In 2004, a *** expansion of the existing facility allowed for the addition of *** new production lines.
[5] During the fourth quarter of 2002, Felker Brothers began producing 14"-24" A-312 diameter pipes.
[6] Owned by Marcegaglia SIPAC, Luxembourg. In December 2002, the Greenville, PA, plant was permanently closed.
[7] Owned by Outokumpu Stainless, Inc., Schaumburg, IL. Related to Outokumpu Stainless Tubular Products Ab, Stockholm, Sweden and Outokumpu Stainless Tubular Products Oy Ab, Jakobstad, Finland. Outokumpu Stainless Pipe discontinued minor production of pressure tubes in 2001. A merger in 2000 between Avesta Sheffield and Outokumpu resulted in a name change for the ownership and operations of the plant, formerly known as Avesta Sheffield Pipe Co. The merged company is publicly-owned by stockholders of Outokumpu, with Avesta holding a ***-percent share. Avesta, in turn, is owned by Corus (formed in the 1999 merger of British Steel and Hoogovens). The Finnish Government also holds a ***-percent share of Outokumpu. Outokumpu produces other tubular products in Finland and Sweden.
[8] Plymouth Tube purchased one of two East Troy, WI, plants from Trent Tube Division of Crucible Materials Corp. in 2005.
[9] Swepco Tube ("Swepco") did not complete the Commission questionnaire. From information taken from the Swepco website (http://www.swepcotube.com), Swepco produces welded A-312 pipes, other WSS pressure tubes (ASTM A-249, A-269, and A-554), and other welded austenitic pipes and tubes (ASTM A-358 and A-409). In the previous review, Swepco reported production of welded A-312 pipes, as well as other WSS pressure tubes (ASTM A-249 and A-269), and other welded austenitic pipes and tubes (ASTM A-358 and A-778). At that time, Swepco *** the revocation of the antidumping duty orders.
[10] Owned by Crucible Materials Corp., Syracuse, NY. In June 2004, the Carrollton, GA, facility was closed. Some pipe production was relocated to their East Troy, WI, facility.
[11] Owned by Vallourec, Boulogne, France and Timet, Denver, CO. Valtimet bought International Tube Company in December 2002 and ***. Valtimet has affiliated production in France, China, and Korea.
[12] Webco built a *** expansion of its plant, allowing for an increase in production of A-249 tubing.

Note.-- Robert Mitchell Co., of Portland, ME, (owned by Marshall Barwick, Inc., North York, Ontario, Canada) previous to 2001 actively produced WSS pipes and pressure tubes. In October 2000, the Robert Mitchell Co. was purchased by Marshall Barwick, Inc., from Douglas Brothers. In the first quarter of 2001, ***. The Maine facility exists only as a job shop fabricator selling pre-fabricated stainless steel pipes (***), pipe fittings, and custom products.

Source: Compiled from data submitted in response to Commission questionnaires and from corporate SEC filings.

U.S. Importers

In the original investigations, there were 22 known importers of welded A-312 pipes from Korea and Taiwan.[100] Twelve importers, accounting for 82 percent of imports from both sources combined responded to the Commission questionnaire.[101] In the first reviews, the Commission sent importer questionnaires to all U.S. producers as well as 27 firms believed to have imported WSS pipes and pressure tubes between January 1997 and March 2000. The Commission identified 10 firms that imported WSS pipes and pressure tubes during that time period, seven of which imported only welded A-312 pipes, two imported welded A-312 pipes as well as other WSS pipes and tubes, and one which imported only non-A-312 WSS pipes and tubes. Of these reporting imports of welded A-312 pipe, two imported product from

[100] *Certain Welded Stainless Steel Pipes from the Republic of Korea and Taiwan, Invs. Nos. 731-TA-540-541 (Final),* USITC Publication 2585, December 1992, pp. I-18.

[101] Report to the Commission on Investigations Nos. 731-TA-540-541 (Final), pp. I-15-I-18.

Korea only, one reported imports of product from Taiwan only, three reported imports only from sources other than Korea and Taiwan, and three reported imports from Taiwan, as well as sources other than Korea or Taiwan.

At least one importer, ***, reported internal consumption of a share of their imports for the manufacture of pipe nipples. All other importers reported their imports were solely for the purpose of reselling to unrelated buyers.

For these reviews, the Commission sent importers' questionnaires to 29 potential U.S. producers and to 29 additional firms believed to be importing WSS pipes and pressure tubes from Korea, Taiwan, and all other countries. In response to the Commission's importers' questionnaires, six firms supplied usable data, 21 firms indicated that they had not imported the product since 2000 or, in two cases, responded without meaningful data, one firm had gone out of business and was not able to be contacted, and 30 firms did not respond. No U.S. producers reported any imports of WSS pipes and pressure tubes from any country.

Of the six responding firms, one firm imported only welded A-312 pipes solely from Korea; two firms reported imports of welded A-312 pipes from Taiwan and other sources. Three of the remaining four importers reported both welded A-312 pipes and other WSS pipes and pressure tubes from other sources. Table I-5 presents a summary of information regarding U.S. importers of WSS pipes and pressure tubes from all countries.

Table I-5
WSS pipes and pressure tubes: U.S. importers, their sources of imports, U.S. locations, and shares of reported subject and nonsubject U.S. imports in 2005

Firm	Source of imports	U.S. office location(s)	Share of 2005 reported subject imports *(percent)*	Share of 2005 reported nonsubject imports *(percent)*
Associated Tube Industries (ATI)[1]	***	Markham, Ontario, Canada	***	***
Buhler [2]	***	Plymouth, MN	***	***
Robert Mitchell Co., Inc. - Douglas Brothers Division[3]	***	Portland, ME	***	***
Merit Brass	***	Cleveland, OH	***	***
Norca Industrial	***	Great Neck, NY	***	***
SeAH Steel America[4]	***	Santa Fe Springs, CA	***	***
Sharon Piping	***	Northlake, IL	***	***
Silbo Industries	***	Montvale, NJ	***	***

[1] Owned by Samuel Manu-Tech Inc., Otobicoke, Ontario.
[2] Buhler confirmed that they imported A-312 or other WSS pipes and pressure tubes, but did not provide meaningful import data. Buhler reported ***.
[3] Mitchell confirmed that they imported A-312 or other WSS pipes and pressure tubes, but did not provide meaningful import data.
[4] Owned by SeAH Steel Corp., Seoul, Korea.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

U.S. Purchasers

In the first reviews, the Commission sent questionnaires to 49 firms that were believed to have purchased welded A-312 pipes during the period January 1997 through March 2000. Responses were received from 22 firms, of which 8 responses were negative and 14 were affirmative. All affirmative responses were from distributors. Available information indicated that responding firms purchased approximately $24.2 million of U.S.-produced welded A-312 pipes, $1.8 million of subject imports from Korea, $4.7 million of subject imports from Taiwan (excluding Ta Chen), $0.1 million of nonsubject imports from Taiwan, and $3.0 million of other nonsubject imports of welded A-312 pipes during 1999.

For these reviews, the Commission sent questionnaires to 32 firms that were believed to have purchased welded A-312 pipes during the period January 2000 through March 2006. Responses were received from 14 firms, of which 3 were negative and 11 were affirmative. Ten of the 11 affirmative responses were from distributors, while one was from an end user. All affirmative responses contained usable information, although not all questions and/or sections of the purchaser questionnaire were completed. Available information indicated that responding firms purchased approximately $44.8 million of U.S.-produced WSS pipes and pressure tubes, $*** of subject imports from Korea, $*** of subject and nonsubject imports from Taiwan (including Ta Chen), and $6.0 million of other nonsubject imports of WSS pipes and pressure tubes during 2005 (of which $*** were imported from China). Responding purchasers are located throughout the continental United States.

Table I-6 presents a summary of information regarding U.S. purchasers of WSS pipes and pressure tubes from all countries.

Table I-6
WSS pipes and pressure tubes: U.S. purchasers, their sources of purchases, U.S. locations, and types of firms

Firm	Source of purchases	U.S. office location(s)	Type of firm
Chicago Tube & Iron Co.	***	Romeoville, IL; Milwaukee, WI; St. Paul, MN; Milan, IL; Indianapolis, IN; Ankeny, IA; Duluth, MN; Oakboro, NC; Owatonna, MN	Distributor
Earle M. Jorgenson[1]	***	Schaumburg, IL	Distributor
Ferguson Enterprises, Inc.[2]	***	Newport News, VA	Distributor
H.M. Craig Metal & Supply Co.	***	Stanley, NC	Distributor
HPD	***	Plainfield, IL	End User
Marmon/Keystone Corp.[3]	***	Butler, PA	Distributor
McCarter Alloys, Inc.	***	Vincentown, NJ	Distributor
McJunkin Corp.	***	Charleston, WV	Distributor
Red Man Pipe and Supply	***	Galena Park, TX	Distributor
Ryerson, Inc.	***	Chicago, IL	Distributor
Texas Pipe & Supply Co.	***	Houston, TX	Distributor

[1] Owned by Reliance, Los Angeles, CA.
[2] Owned by Wolseley PLC, Reading, England, UK.
[3] Owned by The Marmon Group, Chicago, IL.

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

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table I-7 presents U.S. shipments, U.S. imports, and apparent U.S. consumption for calendar years 2000-05, January-March 2005, and January-March 2006; and table I-8 presents apparent U.S. consumption and market shares for the same period. The quantity of U.S. producers' shipments within the domestic market declined by nearly 15 percent during 2000-05, although the value of shipments increased by almost 25 percent during the same period. The following tabulation highlights the changes in the product mix of U.S. producers' shipments during 2000-05.[102]

Item	2000	2005
Welded A-312 pipes *(quantity in short tons)*	47,857	33,564
Welded A-312 pipes *(unit value per short ton)*	$3,119	$4,457
Other WSS pipes and pressure tubes *(quantity in short tons)*	23,952	28,377
Other WSS pipes and pressure tubes *(unit value per short ton)*	$3,807	$5,629

U.S. producers' domestic shipments of welded A-312 pipes declined by 29.9 percent during 2000-05. The decline in welded A-312 pipes was partially offset by an increase in U.S. producers' shipments of other WSS pipes and pressure tubes, which increased by 18.5 percent during 2000-05. At the same time, the unit values of both welded A-312 and non-A-312 WSS pipes and pressure tubes increased by more than 40 percent.

One producer asserted that the most conspicuous event that could have caused decline in U.S. producers' market share was a rapid increase in imports of welded A-312 pipes from Korea, Taiwan, and China, ***.[103] A second producer asserted that as a result of the increased downward pricing pressure and the inability of domestic producers to meet prices of import competition, many U.S. producers have altered their product mix to include a lower share of welded A-312 pipes (viewed by both producers and purchasers as a "commodity" product).[104] Consequently, U.S. producers have increased their production of A-778 pipes and A-249/269 tubes.[105] A-249/269 tubes are produced more to a specific purchaser's requirements, are not typical "commodity" products, and face less direct competition.[106] When asked whether there has been a shift within the domestic industry away from producing welded A-312 pipes to the other WSS pipes and pressure tubes, Mr. John Tidlow of Bristol Metals replied that "it's not so much a shift on the same equipment to other products. It's more that over this period of review a lot of the domestic capacity and, therefore, the production for A-312 has actually been shut down, whereas we haven't had that shutdown in the other welded stainless pipe and tube products, and that's why it looks like there's a shift."[107]

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[102] Compiled from data submitted in response to Commission questionnaires.

[103] ***'s producer questionnaire, section IV-B.

[104] Staff field trip report, ***, April 21, 2006.

[105] Ibid.

[106] Ibid. and compiled from responses to the Commission's questionnaire.

[107] Hearing transcript, p. 36 (Tidlow). However, the closures cited in the hearing transcript are not reflected in the data presented, as the data for these firms did not survive their closing and were not reported in the questionnaires.

Table I-7
WSS pipes and pressure tubes: U.S. shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, 2000-05, January-March 2005, and January-March 2006

Item	Calendar year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
Quantity (*short tons*)								
U.S. producers'--								
U.S. shipments	71,809	67,389	71,649	66,340	65,573	61,941	16,628	18,240
U.S. imports from--								
Korea[1]	2,403	2,938	3,259	4,549	5,708	5,716	977	745
Taiwan (subject)[1]	***	***	***	***	***	***	***	***
Subtotal[1]	***	***	***	***	***	***	***	***
Taiwan (Chang Mien and Ta Chen)[1]	***	***	***	***	***	***	***	***
Nonsubject countries	20,763	15,715	18,150	22,171	31,127	34,134	8,058	8,264
Subtotal	***	***	***	***	***	***	***	***
All countries	37,302	28,719	30,519	37,802	46,674	49,696	11,329	11,810
Total U.S. consumption	109,111	96,108	102,168	104,142	112,247	111,637	27,957	30,050
Value (*1,000 dollars*)								
U.S. producers'--								
U.S. shipments	240,449	210,889	205,283	202,048	281,244	309,311	75,035	87,019
U.S. imports from--								
Korea[1]	5,181	5,427	6,212	8,550	14,491	17,577	2,768	2,223
Taiwan (subject)[1]	***	***	***	***	***	***	***	***
Subtotal[1]	***	***	***	***	***	***	***	***
Taiwan (Chang Mien and Ta Chen)[1]	***	***	***	***	***	***	***	***
Nonsubject countries	65,225	54,614	54,439	61,466	106,866	135,068	30,658	30,161
Subtotal	***	***	***	***	***	***	***	***
All countries	106,882	80,445	78,938	93,872	154,190	190,304	42,570	40,869
Total U.S. consumption	347,331	291,334	284,221	295,920	435,434	499,615	117,605	127,888

[1] Welded A-312 pipes.

Note.–Because of rounding, figures may not add to the totals shown.

Source: Compiled from data submitted in response to Commission questionnaires, official Commerce statistics, and proprietary Customs information.

Table I-8
WSS pipes and pressure tubes: Apparent U.S. consumption and market shares, 2000-05, January-March 2005, and January-March 2006

Item	Calendar year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
Quantity (*short tons*)								
U.S. consumption	109,111	96,108	102,168	104,142	112,247	111,637	27,957	30,050
Value ($*1,000*)								
U.S. consumption	347,331	291,334	284,221	295,920	435,434	499,615	117,605	127,888
Share of quantity *(percent)*								
U.S. producers'--								
U.S. shipments	65.8	70.1	70.1	63.7	58.4	55.5	59.5	60.7
U.S. imports from--								
Korea[1]	2.2	3.1	3.2	4.4	5.1	5.1	3.5	2.5
Taiwan (subject)[1]	***	***	***	***	***	***	***	***
Subtotal[1]	***	***	***	***	***	***	***	***
Taiwan (Chang Mien and Ta Chen)[1]	***	***	***	***	***	***	***	***
Nonsubject countries	19.0	16.4	17.8	21.3	27.7	30.6	28.8	27.5
Subtotal	***	***	***	***	***	***	***	***
All countries	34.2	29.9	29.9	36.3	41.6	44.5	40.5	39.3
Share of value *(percent)*								
U.S. producers'--								
U.S. shipments	69.2	72.4	72.2	68.3	64.6	61.9	63.8	68.0
U.S. imports from--								
Korea[1]	1.5	1.9	2.2	2.9	3.3	3.5	2.4	1.7
Taiwan (subject)[1]	***	***	***	***	***	***	***	***
Subtotal[1]	***	***	***	***	***	***	***	***
Taiwan (Chang Mien and Ta Chen)[1]	***	***	***	***	***	***	***	***
Nonsubject countries	18.8	18.7	19.2	20.8	24.5	27.0	26.1	23.6
Subtotal	***	***	***	***	***	***	***	***
All countries	30.8	27.6	27.8	31.7	35.4	38.1	36.2	32.0

[1] Welded A-312 pipes.

Note.–Because of rounding, figures may not add to the totals shown.

Source: Compiled from data submitted in response to Commission questionnaires, official Commerce statistics, and proprietary Customs information

PART II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

MARKET CHARACTERISTICS

The primary factors affecting WSS pipe and pressure tube usage are capital investment projects by chemical and petrochemical plants, food and beverage processing plants, power generation plants, and pulp and paper mills. When asked whether WSS pipes and pressure tubes were subject to business cycles, five of 11 purchasers[1] responded that they were, with two specifically suggesting durations in the three-to-five year range. One of these purchasers suggested that cycles were getting shorter, falling from seven years to four years.[2] A third purchaser reported that while business cycles affect the market, they are general cycles and are not specific to the WSS pipe and pressure tube market.

The market for WSS pipes and pressure tubes does not appear to be limited by geography. Nine of 11 responding U.S. producers and three of seven responding importers reported nationwide sales. All three of these importers reported importing welded A-312 pipe. One of the importers that reported nationwide sales imported welded A-312 pipes from Taiwan until 2002 but reported no imports from Taiwan since then. Another importer that reported nationwide sales reported importing A-312 pipes from Taiwan through 2001 but not since then. No other importers reported importing from Taiwan during the period January-March 2000 to January-March 2006. One U.S. producer reported sales to all regions but the Rocky Mountain region. The remaining U.S. producer reported sales only to the Northwest region. Among the remaining four importers, three reported sales to the Southeast, two reported sales to the Midatlantic, Southwest, and Northwest, and one reported sales to the Midwest, Northeast, and West Coast.[3] The Rocky Mountain region is served by no additional importers aside from those that reported selling nationwide. The sole importer that reported importing welded A-312 pipes from Korea, ***, reported shipping to the ***.

CHANNELS OF DISTRIBUTION

A majority of WSS pipes and pressure tubes were shipped to distributors during the period for which data were collected. The share shipped to distributors fell slightly from 84.9 percent in 2000 to 83.4 percent in 2005 after reaching 87.5 percent in 2001 and 2002. A large majority (97.6 percent in 2005) of shipments of U.S.-produced welded A-312 pipe were to distributors.[4] *** responding U.S. producers of welded A-312 pipe shipped exclusively to distributors while *** shipped almost exclusively to distributors and *** shipped to both end users and distributors. U.S. producers also shipped a majority of their other WSS pipes and pressure tubes to distributors, although the share decreased from 68.0 percent in 2000 to 60.7 percent in 2005. *** responding U.S. producers of other stainless steel pipes and pressure tubes shipped exclusively to distributors while *** shipped to both distributors and end users and *** shipped exclusively to end users. Available information indicates that *** reported U.S. imports of welded A-312 stainless steel pipes from Korea and Taiwan, as well as all imports from nonsubject

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[1] In their questionnaire responses, six of the 11 responding purchasers reported purchasing only A-312 pipe. However, according to information gathered subsequent to the hearing, at least four of these six purchasers purchased WSS pipe and tube products other than A-312 pipe. In addition, one of the two purchasers that reported on their questionnaire responses that they did not purchase A-312 pipe later claimed to have purchased A-312.

[2] ***.

[3] One importer (***) that reported sales to the Northeast, Midatlantic, Midwest, and Southeast reported importing only stainless steel tubular products other than A-312 pipes. All other responding importers reported importing welded A-312 pipes.

[4] Distributors in the U.S. WSS pipe and pressure tube market can be broadly categorized as either traditional distributors, who sell primarily to end users, or master distributors who sell to other distributors as well as end users.

countries were shipped to distributors. Annual shares of sales shipped to the two channels can be seen in table II-1.

Table II-1
WSS pipes and pressure tubes: Channels of distribution for domestic product and imports sold in the U.S. market (as a share of total), by year and source, 2000-05, January-March 2005, and January-March 2006[1]

	Calendar year						January-March	
Item	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2005**	**2006**
	Share *(percent)*							
U.S. producers' U.S. shipments of welded A-312 pipes:								
Distributors	92.0	97.9	97.7	97.4	97.0	97.6	94.8	98.8
End users	8.0	2.1	2.3	2.6	3.0	2.4	5.2	1.2
U.S. producers' U.S. shipments of other WSS pipes and pressure tubes:								
Distributors	68.0	65.0	65.1	65.8	63.5	60.7	53.4	55.1
End users	32.0	35.0	34.9	34.2	36.5	39.3	46.6	44.9
U.S. producers' U.S. shipments of all WSS pipes and pressure tubes:								
Distributors	84.9	87.5	87.5	87.3	85.2	83.4	80.6	82.0
End users	15.1	12.5	12.5	12.7	14.8	16.6	19.4	18.0
U.S. shipments of welded A-312 pipes from Korea:								
Distributors	***	***	***	***	***	***	***	***
End users	***	***	***	***	***	***	***	***
U.S. shipments of welded A-312 pipes from Taiwan:[2]								
Distributors	***	***	--	--	--	--	--	--
End users	***	***	--	--	--	--	--	--
U.S. shipments of welded A-312 pipes from all other sources:								
Distributors	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
End users	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

[1] In the first reviews, available data for 1999 indicated that U.S. producers shipped 96.0 percent of welded A-312 pipes, 84.9 percent of other WSS pipes and pressure tubes, and 93.3 percent of all WSS pipes and pressure tubes to distributors.

[2] Based on imports from non-subject Taiwan producers. There were no reported imports of welded A-312 pipes from Taiwan after 2002. In addition, data on shipments to distributors and end users were not provided for shipments for 2002.

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

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Domestic Production

Based on available information, staff believes that U.S. producers of WSS pipes and pressure tubes are likely to respond to increases in demand with relatively large increases in shipments of U.S.-produced WSS pipes and pressure tubes to the U.S. market. Should demand increase, U.S. producers have ample available capacity and moderate inventory levels with which to respond. Should demand decrease, however, producers are limited in their ability to switch resources into producing alternative products or to move product into export markets.

Industry capacity

Overall, U.S. producers' capacity for WSS pipes and pressure tubes increased from 134,742 short tons in 2000 to 139,921 short tons in 2005. The capacity in January-March 2006 was 34,899 short tons as compared to 33,338 short tons in January-March 2005. All of this increase in capacity is due to an increase in capacity to produce other (i.e., non-A-312) WSS pipes and tubes. While capacity for other WSS pipes and pressure tubes rose from 51,875 short tons in 2000 to 68,284 short tons in 2005, capacity for welded A-312 pipes decreased from 82,867 short tons in 2000 to 71,637 short tons in 2005.

U.S. producers' reported capacity utilization for WSS pipes and pressure tubes decreased from 56.7 percent in 2000 to 45.0 percent in 2005. Capacity utilization in January-March 2006 was 50.2 percent as compared to 47.6 percent in January-March 2005. Capacity utilization of welded A-312 pipe decreased from 60.5 percent in 2000 to 45.0 percent in 2005. Capacity utilization in the first quarter of 2006, however, was 55.9 percent as compared to 42.4 percent in the first quarter of 2005. Capacity utilization of other WSS pipes and pressure tubes fell from 50.7 percent in 2000 to 38.5 percent in 2001 before rising to 45.0 percent in 2005. Capacity utilization of other WSS pipes and pressure tubes was 44.4 percent in January-March 2006 as compared to 53.9 percent in the same period of 2005. This level of capacity utilization indicates that U.S. producers of WSS pipes and pressure tubes have ample available capacity with which they could increase production in the event of an increase in demand.

Alternative markets

Domestic producers' exports of WSS pipes and pressure tubes were modest over the period for which data were collected, accounting for 3.9 percent of total shipments. Exports increased from 1,840 short tons (or 2.5 percent of total shipments) in 2000 to 3,317 short tons (or 5.1 percent of total shipments) in 2005. Exports in January-March 2006 were 854 short tons as compared to 1,028 in January-March 2005. Exports of welded A-312 pipes were very small throughout the period for which data were collected, accounting for 1.1 percent of total shipments. Exports of other WSS pipes and pressure tubes were somewhat higher, increasing to 3,168 short tons (or 10.0 percent of total shipments) in 2005 compared to 1,342 short tons (or 5.3 percent of total shipments) in 2000. Over the entire period, exports accounted for 8.1 percent of total shipments of other WSS pipes and pressure tubes. Eight of nine responding producers reported that it would be either difficult or impossible to shift its sales to markets outside of the United States. Three of these producers explicitly cite lower foreign market prices as the

reason for the inability to switch markets. One producer pointed to the "stainless steel coil trade case" as a reason for not being competitive overseas.[5]

Inventory levels

Inventories of WSS pipes and pressure tubes fell as a share of total shipments from 30.6 percent in 2000 to 22.0 percent in 2005. In January-March 2006, inventories as a share of total shipments stood at 16.4 percent as compared to 21.3 percent in January-March 2005. After falling from 26.9 percent in 2000 to 17.6 percent in 2001, inventories as a share of total shipments of welded A-312 pipes rose slightly to 22.1 percent in 2005. Inventories for welded A-312 pipe were 15.8 percent of total shipments in January-March 2006 as compared to 20.4 percent in January-March 2005. Inventories of other WSS pipes and pressure tubes fell as a share of total shipments from 37.6 percent in 2000 to 21.8 percent in 2005 and were 17.2 percent in January-March 2006 as compared to 22.4 percent in January-March 2005. Overall, moderate and variable inventories relative to total shipments indicate that U.S. producers have the ability to respond to changes in demand by changing their inventories.

Production alternatives

Most U.S. producers do not have the ability to manufacture other products using the same equipment, machinery, and workforce as are used in the production of WSS pipes and pressure tubes. Of the 11 responding producers, only three smaller producers, one of which reported producing welded A-312 pipe, reported that they produce other products using the same equipment, machinery, and/or related workers used to produce WSS pipes and pressure tubes. One of these producers reported that stainless steel pipe generally makes up approximately 50 percent of output using common equipment or employees. The other two firms did not provide estimates of the percentage of total output made up by WSS pipes or pressure tubes. One producer reported using the same equipment and employees to produce seamless tubing. Testimony by domestic industry representatives during the Commission's hearing suggested that while A-312 pipes and A-778 pipes can be produced on the same production line, WSS pressure tubes (such as A-249) cannot be produced on the same line as A-312 without making extensive modifications to the line.[6]

Subject Imports from Korea

No Korean producers provided information pursuant to the current review. The analysis presented in the first reviews suggested that, in 2000, Korean producers had the capability to respond to changes in demand with "relatively large" changes in shipments of welded A-312 pipes to the U.S. market. The potential large response was attributed to excess capacity, large inventories, and the existence of alternative markets.[7] There is insufficient available data to determine whether these conditions persist today.

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[5] Antidumping duties are in place for certain stainless steel sheet and strip from several countries. *See*, *Stainless Steel Sheet and Strip from France, Germany, Italy, Japan, Korea, Mexico, Taiwan, and the United Kingdom, Inv. Nos. 701-TA-381-382 and 731-TA-797-804 (Review)*, USITC Publication 3788, July 2005.

[6] Hearing transcript, p. 50 (Schagrin and Tidlow).

[7] Confidential first review report, pp. II-3.

Subject Imports from Taiwan

Based on information provided by only one Taiwan producer,[8] suppliers of subject imports of welded A-312 pipes from Taiwan are likely to respond to changes in demand with large changes in the quantity shipped to the U.S. market. Supply responsiveness is increased by *** available capacity and *** alternative markets.

Industry capacity

Reported Taiwan capacity rose from *** short tons in 2002 to *** short tons in 2005 (data prior to 2002 were unavailable). Capacity in January-March 2006 was higher than in the same period for 2005. Capacity utilization rates increased from *** percent in 2002 to *** percent in 2004 before jumping to *** percent in 2005. Capacity utilization in the first quarter of 2006 was *** percent as compared to *** percent in the first quarter of 2005. These data indicate that Taiwan suppliers of welded A-312 pipe have excess capacity with which they could increase production of subject product in the event of a change in demand.

Alternative markets

Shipments to the home market made up less than *** of total reported shipments of welded A-312 pipes by the responding Taiwan firm throughout the period for which data were collected and fell from *** percent in 2002 to *** percent in 2005. The share was *** percent in the first quarter of 2006 as compared to *** percent in the first quarter of 2005. All reported exports went to markets ***, with a large portion going to ***. Overall, available data indicate that foreign producers in Taiwan have some ability to divert substantial shipments from alternative markets in response to changes in the U.S. market conditions regarding welded A-312 pipes.

Inventory levels

Data on Taiwan producers' inventory levels indicate that, between 2002 and 2005, inventories as a share of total shipments fell from *** percent in 2002 to *** percent in 2005 and were *** percent in January-March 2006 compared to *** percent in January-March 2005. These data indicate that Taiwan producers have some ability to use inventories as a means of increasing shipments of welded A-312 pipes to the U.S. market.

Production alternatives

The one responding Taiwan producer, Yeun Chyang, reported ***. No information was provided regarding what share of production using common workforce and equipment was accounted for by the production of welded A-312 pipes. Overall, approximately *** percent of Yeun Chyang's total sales in its most recent fiscal year were of welded A-312 pipes.[9]

[8] Yeun Chyang reported that it accounted for *** percent of Taiwan production of welded A-312 pipes in 2005. Since Taiwan producers Chang Mien and Ta Chen are not subject to the antidumping duty order on welded A-312 pipes from Taiwan, Yeun Chyang accounted for more than *** percent of subject pipes produced in Taiwan.

[9] Yeun Chyang foreign producer questionnaire.

U.S. Demand

Based on available information, consumers are likely to respond to changes in the price of WSS pipes and pressure tubes with small to moderate changes in their purchases of WSS pipes and pressure tubes. High-pressure pipes and tubes are necessary for many production facilities, and while substitutes are available, they are either more expensive (as is the case with seamless pipe) or are not as corrosion resistant as stainless steel (as is the case with plastics or other materials).

Demand Characteristics

U.S. demand for WSS pipes and pressure tubes depends primarily on the level of demand for downstream products using WSS pipes and pressure tubes. WSS pipes and pressure tubes are used primarily for transporting liquids and gases, heat exchange, and other purposes in the chemical and petrochemical industry, food and beverage processing industry, power generation industry, and pulp and paper industry. Major uses for welded A-312 pipes include digester lines, pharmaceutical production lines, petrochemical stock lines, automotive paint lines, and various other processing lines such as those in paper mills, breweries, and food processing facilities. Since A-312 pipes are annealed, they can withstand very high heat and are corrosion resistant. This is not the case with A-778 pipes which are not annealed and therefore cannot withstand temperatures above 800 degrees Fahrenheit. A-778 pipes are therefore used in less demanding applications such as paper manufacturing. In contrast, the thicker-walled A-358 pipes are used in highly critical applications such as nuclear power plants or liquid gas facilities. WSS pressure tubes such as A-269 or A-249 have a broader range of applications although many are used in heating and cooling applications.[10] Tube products are normally ordered to meet customers' exact specifications, whereas pipe products are normally sold in standard sizes. No responding purchaser, producer, or importer reported changes in the end uses of WSS pipes and pressure tubes.

Available data indicate that apparent U.S. consumption of WSS pipes and pressure tubes was somewhat variable over the period January 2000 to March 2006. After falling from 109,111 short tons in 2000 to 96,108 short tons in 2001, apparent U.S. consumption rose to 112,247 short tons in 2004 and was 111,637 short tons in 2005. Consumption in January-March 2006 was 30,050 short tons as compared to 27,957 short tons in January-March 2005. This movement was driven in large part by apparent consumption of welded A-312 pipes which rose from 65,336 short tons in 2001 to 75,020 short tons in 2005 (an increase of 14.8 percent) after falling from 77,295 short tons in 2000. Apparent consumption of other welded pipes and pressure tubes rose gradually over the period 2000-05, and at 36,617 short tons in 2005, was 15.1 percent higher than in 2000.

When asked if U.S. demand for WSS pipes and pressure tubes had changed since 2000, four purchasers (all of which reported purchasing welded A-312 pipes) reported that demand had increased and seven purchasers reported that demand was unchanged. When asked the same question for demand outside of the United States, nine of ten responding purchasers reported that demand had increased while one purchaser (which did not report purchasing welded A-312 pipes) reported that demand was unchanged. Reasons given for increased demand included increased construction projects and capital expenditures, an increase in the number of applications, large construction projects for various types of fuels (liquid natural gas, ethanol, etc.), and an increase in the demand for longer lasting products. In addition, five purchasers suggested that the growth of the Chinese and Indian economies has led to higher demand for WSS pipes and pressure tubes.

Four of ten responding U.S. producers (including *** producers of welded A-312 pipes) reported that demand has increased since 2000, two reported that demand has decreased, and three reported that it has remained unchanged. The final responding U.S. producer reported that demand fluctuated with the

[10] Confidential first review report, pp. I-14 and I-15.

price of energy as well as with the health of the chemical and paper industries. Six of nine responding U.S. producers (including the four largest producers of welded A-312 pipes) reported that demand outside of the United States has increased since 2000 while two reported that demand has not changed and one reported that demand has fluctuated. Producers cited growth in the energy sector (especially natural gas and oil), overall economic growth in the United States, growth in developing countries (especially China), and a recent increase in the attractiveness of stainless steel pipe as reasons for the increase in demand.

Six of seven responding importers (five of which reported importing welded A-312 pipes) reported that U.S. demand has increased since 2000, and all four importers that reported knowledge of markets outside of the United States reported that demand outside of the United States has increased since 2000. Importers cited growing U.S. and global economies as well as the durability of stainless steel as the reasons for demand growth.

When asked about the potential for future changes in demand, five of nine responding producers, five of seven responding importers, and six of ten responding purchasers reported that they expect demand to continue growing. Three firms (two producers and one purchaser) estimated future annual growth of between three and six percent while one purchaser reported expecting annual growth of five to ten percent and one importer anticipated growth of *** percent in 2006-07.

Substitute Products

Four of the 11 responding purchasers, three of eight responding importers, and five of 11 responding U.S. producers listed at least one substitute for welded A-312 pipes. The most frequently mentioned substitutes were seamless stainless steel pipes, carbon steel pipes, and various plastic pipes. Other substitutes mentioned included copper pipes, teflon pipes, galvanized steel pipes, and titanium pipes. The same substitutes, by and large, were suggested for other WSS pipes as well as WSS pressure tubes. Two purchasers and one importer reported that seamless stainless steel pipes could be used for the same applications as WSS pipes. Both of these purchasers noted that seamless pipes cost more. One producer echoed this statement and two producers stated that while plastic and high density polyethylene (HDPE) pipes can be used in most applications, they have much shorter life-spans than WSS pipes. Several firms stated that pipes made of material other than stainless steel (welded or seamless) may not be appropriate for applications in which corrosion of the pipe may be an issue.

Cost Share

Since most responding purchasers, U.S. producers, and importers of WSS pipes and pressure tubes are distributors or sell to distributors, they were unable to provide useful information regarding the share of end-use costs accounted for by WSS pipes and pressure tubes.

SUBSTITUTABILITY ISSUES

The degree of substitution between imported welded A-312 pipes and U.S. produced welded A-312 pipes and other WSS pipes and pressure tubes depends upon such factors as end uses, relative prices, quality, and conditions of sale (e.g., availability, price discounts/rebates, delivery, payment terms, product services, etc.). Based on available data, staff believes that while there may be some differences between domestic welded A-312 pipes and imported welded A-312 pipes in factors such as availability, product range, and delivery, among others, overall there is a very high degree of substitution between welded A-312 pipes from the United States and welded A-312 pipes from Korea and Taiwan. However, the degree of substitution between imported welded A-312 pipes and U.S.-produced other WSS pipes and pressure tubes may be lower, and depends on the characteristics and end uses of each specific domestic product considered.

Factors Affecting Purchasing Decisions

Purchasers were asked to identify the three major factors considered by their firm in deciding from whom to purchase welded A-312 pipes and other WSS pipes and pressure tubes (table II-2).[11] Five of the 11 responding firms reported that price was the most important factor, whereas four of the 11 reported that quality was the most important factor. One reported that "meeting industry specifications" was most important, while another stated that "reliability/availability" was most important. Price was also the most commonly cited second-most-important factor, listed by four purchasers. Reliability or availability, delivery, and customer acceptance were listed as the second most important factors by two purchasers each. Quality and delivery time were the most commonly cited third-most-important factor according to three firms each. Terms of credit and price were listed as the third most important factor by two purchasers each. Purchasers were asked to specify whether these responses differed between welded A-312 pipes, other WSS pipes, and welded pressure tubes. No purchasers reported that their responses differ across these products.

Table II-2
WSS pipes and pressure tubes: Most important factors in selecting a supplier, as reported by purchasers

Factor	First	Second	Third
Price	5	4	2
Quality	4	0	3
Reliability/availability	1	2	0
Delivery time	0	2	3
Terms of credit	0	0	2
Customer acceptance	0	2	1
Meets specifications	1	1	0

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

Purchasers were asked what factors determined the quality of WSS pipes and pressure tubes. Ten of 11 responding purchasers reported that the pipes and tubes need to meet ASTM and ASME (American Society of Mechanical Engineers) or producer specifications. Other factors mentioned were delivery, the ability to further fabricate the product (threading, bending, swaging), and an absence of claims against the supplier. Purchasers were asked to specify whether these responses differed between welded A-312 pipes, other WSS pipes, and welded pressure tubes. No purchasers reported that their responses differ across these products.

Purchasers were asked if they always, usually, sometimes, or never purchased the lowest priced WSS pipes and pressure tubes. Two purchasers reported always purchasing the lowest priced product; six usually purchased the lowest priced product; and three sometimes purchased the lowest priced product. Purchasers were also asked if they purchased WSS pipes and pressure tubes from one source although a comparable product was available at a lower price from another source. Ten of 11 purchasers responded in the affirmative. Reasons most often provided for purchasing from a more expensive source included availability, delivery time, quality, and domestic production. One purchaser reported that it purchases only from suppliers approved by its customers, regardless of price. Purchasers were asked to specify

[11] As demonstrated in table III-1 of this report, welded A-312 pipes constituted the bulk of U.S.-produced WSS pipes and pressure tubes during the period 2000-05. Nine of the 11 responding purchasers reported purchasing welded A-312 pipes.

whether these responses differed between welded A-312 pipes, other WSS pipes, and welded pressure tubes. No purchasers reported that their responses differ across these products.

Purchasers were asked to rate the importance of 15 factors in their purchasing decisions (table II-3). Price, product consistency, and meeting industry standards were listed as very important by all 11 of the responding purchasers; 10 of 11 also reported that reliability of supply was very important; and eight of 11 reported that delivery time was very important. Purchasers were asked to specify whether these responses differed between welded A-312 pipes, other WSS pipes, and welded pressure tubes. No purchasers reported that their responses differ across these products.

Table II-3
WSS pipes and pressure tubes: Importance of purchase factors, as reported by purchasers

Factor	Very important	Somewhat important	Not important
	Number of firms responding		
Product availability	7	4	0
Delivery terms	7	4	0
Delivery time	8	3	0
Discounts offered	6	4	1
Extension of credit	5	4	2
Price	11	0	0
Minimum quantity requirements	3	6	1
Packaging	6	3	1
Product consistency	11	0	0
Quality meets industry standards	11	0	0
Quality exceeds industry standards	4	6	1
Product range	3	6	1
Reliability of supply	10	1	0
Technical support/service	5	5	1
U.S. transportation costs	6	3	1

Note.--Not all purchasers responded for each factor.

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

Purchasers were asked for a country-by-country comparison of U.S.-produced WSS pipes and pressure tubes compared to WSS pipes and pressure tubes from Korea, Taiwan, and relevant nonsubject countries on the same 15 factors. Only one responding purchaser provided a comparison of U.S. and Korean WSS pipes and pressure tubes while five compared U.S. and Taiwan product and three compared U.S. and Chinese products. Results are shown in table II-4.

Table II-4
WSS pipes and pressure tubes: Comparisons of product by source country, as reported by purchasers

Factor	U.S. vs. Korea			U.S. vs. Taiwan			U.S. vs. China		
	S	C	I	S	C	I	S	C	I
	Number of firms responding								
Product availability	1	0	0	3	1	0	2	1	0
Delivery terms	0	1	0	1	3	0	1	2	0
Delivery time	1	0	0	2	2	0	2	1	0
Discounts offered	0	1	0	0	3	1	0	1	2
Extension of credit	0	1	0	0	4	0	0	2	1
Lower price	0	0	1	1	0	3	0	0	3
Minimum quantity requirements	1	0	0	2	1	1	2	1	0
Packaging	0	1	0	0	2	2	1	2	0
Product consistency	0	1	0	2	1	1	0	3	0
Product range	1	0	0	3	0	1	1	2	0
Quality meets industry standards	0	1	0	1	2	0	1	2	0
Quality exceeds industry standards	0	1	0	1	3	0	0	3	0
Reliability of supply	1	0	0	2	2	0	2	1	0
Technical support/service	0	1	0	2	2	0	2	1	0
Lower U.S. transportation costs	0	1	0	1	3	0	1	2	0

Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first listed country's product is inferior.

Note.--Not all companies gave responses for all factors.

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

While no clear-cut patterns emerge, generally speaking, WSS pipes and pressure tubes (in particular, welded A-312 pipes) from Korea, Taiwan, and China are of lower price, while U.S. producers provide superior availability and product range, as well as comparable or superior delivery time and technical support. Regarding price, according to testimony given during the Commission's hearing, prices from "developing countries" tend to lag prices from U.S. and European markets - especially when the prices are trending upward - due to slower adjustment to input costs.[12] Purchasers were asked to specify whether these responses differed between welded A-312 pipes, other WSS pipes, and welded pressure tubes. No purchasers reported that their responses differ across these products.

Purchasers were asked if certain grades, types, or sizes of WSS pipes and pressure tubes were available from a single source. Nine of the 11 responding purchasers reported that they were not while two purchasers reported that certain grades, types, or sizes were only available from a single source. One of these purchasers reported that while foreign firms offer only standard grade sizes and lengths, U.S.

[12] Hearing transcript, p. 27 (Tidlow).

producers will offer "anything they can produce."[13] The other reported that schedule 80 welded A-312 pipes were available only from Korea and the United States while schedule 5 welded A-312 pipes were available only from the United States.[14,15]

Purchasers were asked if they required certification or prequalification for WSS pipes and pressure tubes. Ten of the 11 responding purchasers required certification or prequalification for all of their suppliers while the remaining purchaser reported requiring certification or prequalification for only some of its suppliers. The prequalification normally entailed meeting ASTM standards. Some purchasers perform their own tests on samples submitted by the supplier to ensure that the product meets appropriate specifications. There are also outside labs that test and approve the supplied product. Purchasers were asked to specify whether these responses differed between welded A-312 pipes, other WSS pipes, and welded pressure tubes. No purchasers reported that their responses differ across these products.

Ten of 11 responding purchasers reported factors they considered in qualifying a new supplier. The most common factors considered included quality, price, reliability, delivery time, and adherence to ASTM specifications. The time required to qualify a new supplier was reported by four purchasers and ranged from 2-3 days to 3-9 months. Purchasers were asked if any suppliers had failed to qualify their product or lost their approved status. None of the 11 responding firms reported that any suppliers had failed to qualify. Purchasers were asked to specify whether these responses differed between welded A-312 pipes, other WSS pipes, and welded pressure tubes. No purchasers reported that their responses differ across these products.

Purchasers were asked a number of questions about whether their purchasing patterns for welded A-312 pipes from subject and nonsubject sources had changed since 2000. Six of the 11 responding purchasers reported that they had purchased welded A-312 pipes from Taiwan before 2000; two of those six purchasers reported not changing their purchase patterns since 2000, four reported changing their purchase patterns, but not because of the order, and one provided no further information. Two of the four that changed their purchase patterns reported purchasing more welded A-312 pipes from Taiwan due to lower prices or better availability while another reported purchasing less from Taiwan due to the emergence of China, and the fourth reported purchasing less from Taiwan due to cost and service-related issues. Two purchasers who reported buying from Taiwan before 2000 also reported purchasing welded A-312 pipes from Korea. One of these purchasers stated that purchases from Korea have increased due to cost and availability of certain sizes.

Purchasers were asked how frequently they and their customers purchased WSS pipes and pressure tubes from specific producers and from specific countries. Responses are shown on the following page. Overall, producer and country of origin do not appear to be major factors in the purchase decision of most customers. Purchasers were asked to specify whether these responses differed between welded A-312 pipes, other WSS pipes, and welded pressure tubes. No purchasers reported that their responses differ across these products.

[13] ***.

[14] ***.

[15] The schedule number refers to the thickness of the walls of the pipes or pressure tubes.

	Always	Usually	Sometimes	Never
Purchaser makes decision based on producer	3	2	4	2
Purchaser's customer makes decision based on producer	0	2	8	1
Purchaser makes decision based on country	2	0	7	2
Purchaser's customer makes decision based on country	1	1	7	2

Four of 11 responding purchasers reported that some percentage of their purchases are limited by law to domestic suppliers. The share of such purchases ranged from 2 to 20 percent. Five of 11 purchasers also reported that purchases of domestic product are not required by law but are required by their customers. The share of such purchases ranged from 5 to 90 percent but was under 25 percent for four of those five purchasers. Finally, four of 11 purchasers reported that domestic purchases are required for other reasons. Such purchases account for 5 percent to 100 percent of all purchases for these firms.

Nine of the ten responding purchasers contacted at least two suppliers before making a purchase, with five contacting three or more suppliers. Six of the 11 responding purchasers reported that they had not changed suppliers in the last 5 years. Of the five that reported changing suppliers, two explicitly reported adding Chinese suppliers while a third reported adding Taiwan producer Haitima Corp. as a supplier.[16]

Comparisons of Domestic Products, Subject Imports, and Nonsubject Imports

U.S. producers, importers, and purchasers were asked to report how frequently certain WSS pipe and pressure tube from different countries were able to be used in the same applications (table II-5). If responding firms reported that products from different countries were not always used in the same application, they were asked to explain why. In general, results indicate that WSS pipes and pressure tubes (welded A-312 pipes in particular) from Korea, Taiwan, and nonsubject countries are interchangeable with WSS pipes and pressure tubes produced in the United States. One purchaser and two importers reported that products from different countries were only "sometimes" interchangeable, while all the other responding firms reported that products from different countries were either always or frequently interchangeable. Reasons for limited interchangeability included quality, the use of approved vendor lists, "Buy American" regulations, and "metric-inch" dimension issues. Responding firms were asked to specify whether these responses differed among welded A-312 pipes, other WSS pipes, and welded pressure tubes. No U.S. producers, importers, or purchasers reported that their responses differ across these products. However, two purchasers explicitly noted that their answers applied to only welded A-312 pipes. One of these purchasers reported that welded A-312 pipes from both Taiwan and Korea were *** interchangeable with product from the United States while the other purchaser reported that welded A-312 pipes from Taiwan and Korea were *** interchangeable with welded A-312 pipes from the United States. Eight of the nine purchasers who responded to this question reported purchasing welded A-312 pipes.

[16] According to its website, Haitima has factories in Taiwan and China, and offers a range of tubular products, including welded A-312 pipes. Found at http://www.haitima.com.tw/tubepipe.html, retrieved on May 8, 2006.

Table II-5
WSS pipes and pressure tubes: U.S. producers', importers', and purchasers' perceived degree of interchangeability of products produced in the United States and in other countries[1]

	U.S. producers					U.S. importers					U.S. purchasers				
Country comparison	A	F	S	N	0	A	F	S	N	0	A	F	S	N	0
U.S. vs. Korea	7	3	0	0	1	4	0	2	0	0	5	2	1	0	1
U.S. vs. Taiwan	7	3	0	0	1	4	0	2	0	0	6	2	1	0	1
U.S. vs. Nonsubject	7	3	0	0	1	4	0	1	0	1	5	4	1	0	1
Korea vs. Taiwan	8	2	0	0	1	4	0	0	0	1	6	1	1	0	2
Korea vs. Nonsubject	7	2	0	0	2	4	0	0	0	1	4	2	1	0	2
Taiwan vs. Nonsubject	7	2	0	0	2	4	0	0	0	1	6	1	1	0	2

[1] U.S. producers, importers, and purchasers were asked if WSS pipes and pressure tubes produced in the United States and in other countries are used interchangeably.

Note.--"A" = Always, "F" = Frequently, "S" = Sometimes, "N" = Never, and "0" = No familiarity.

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

U.S. producers and importers were asked to assess how often differences other than price were significant in sales of WSS pipes and pressure tubes from the United States, subject countries, or nonsubject countries (table II-6). Four of eight responding U.S. producers and one of three responding importers stated that non-price differences are never a significant factor in their sales of WSS pipes and pressure tubes from the United States or subject countries while three U.S. producers and one importer responded that such differences are only sometimes a factor. One U.S. producer reported that non-price factors were frequently a factor in purchase decisions. The pattern is fairly similar when comparing U.S. or subject producers to nonsubject producers. One importer reported that non-price differences were always a factor in the purchase decision regardless of country of origin. U.S. producers and importers were asked to specify whether these responses differed between welded A-312 pipes, other WSS pipes, and welded pressure tubes. No responding firms reported that their responses differ across these products.

Table II-6
WSS pipes and pressure tubes: U.S. producers' and importers' conceptions concerning the importance of non-price differences in purchases of WSS pipes and pressure tubes from the United States and other countries[1]

	U.S. producers					U.S. importers				
Country comparison	A	F	S	N	0	A	F	S	N	0
U.S. vs. Korea	0	1	3	4	2	1	0	1	1	1
U.S. vs. Taiwan	0	1	3	4	2	1	0	1	1	1
U.S. vs. Nonsubject	0	1	3	4	2	1	0	0	1	2
Korea vs. Taiwan	0	0	3	3	3	1	0	0	1	2
Korea vs. Nonsubject	0	0	3	2	4	1	0	0	1	2
Taiwan vs. Nonsubject	0	0	3	2	4	1	0	0	1	2

[1] U.S. producers and importers were asked if differences other than price between WSS pipes and pressure tubes produced in the United States and in other countries are a significant factor in their firm's sales of the product.

Note.--"A" = Always, "F" = Frequently, "S" = Sometimes, "N" = Never, and "0" = No familiarity.

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

ELASTICITY ESTIMATES

U.S. Supply Elasticity

The domestic supply elasticity for WSS pipes and pressure tubes measures the sensitivity of the quantity of WSS pipes and pressure tubes supplied by U.S. producers to changes in the U.S. market price of WSS pipes and pressure tubes. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter production, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternative markets for U.S.-produced product. Earlier analysis of these factors, specifically the large amount of unused capacity as well as the moderate and variable inventories, indicates that the U.S. industry has considerable ability to increase or decrease shipments to the U.S. market; an estimate in the range of 5 to 8 is suggested.

Subject Supply Elasticity

The ability of foreign subject and nonsubject producers or exporters of subject merchandise to respond to a change in the U.S. market price of WSS pipes and pressure tubes is enhanced by the existence of foreign home markets and alternative export markets as well as a large amount of unused capacity. While based on very limited information from only one subject Taiwan producer, an estimate in the 6-to-10 range is suggested. This estimate is consistent with the discussion presented in the first reviews of these investigations in 2000.[17]

[17] Confidential first review report, p. II-9.

U.S. Demand Elasticity

The U.S. demand elasticity for WSS pipes and pressure tubes measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of WSS pipes and pressure tubes. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of WSS pipes and pressure tubes in the production of any downstream products. Although substitute products for WSS pipes and pressure tubes do exist, they are either substantially more expensive or are not corrosion-resistant enough for many uses. In addition, while no data were provided by respondent firms, it is believed that WSS pipes and pressure tubes make up a relatively small share of the total cost of most end uses. For these reasons, staff suggests an elasticity of demand in the range of -0.3 to -0.7. In other words, purchasers would not likely be very sensitive in the short term (12 months) to changes in the price of WSS pipes and pressure tubes and would continue to demand fairly constant quantities over a considerably wide range of prices.

Substitution Elasticity

The elasticity of substitution measures the extent to which the ratio of subject country imports to domestic like product changes in response to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change. The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products. Product differentiation, in the case of WSS pipes and pressure tubes, depends upon such factors as end uses (when comparing imported welded A-312 pipes to U.S.-produced other WSS pipes and pressure tubes), quality, availability, reliability of supply, and range of production.

With regard to a specific product, in this case welded A-312 stainless steel pipes, the elasticity of substitution is likely to be high, in the range of 3 to 6 as quality, availability, reliability of supply, and range of production are comparable between domestic and imported welded A-312 pipes. The elasticity of substitution between imported welded A-312 pipes and U.S.-produced other WSS pipes and pressure tubes depends on the specific domestic product under consideration. As noted earlier, welded A-312 pipes can be substituted for A-778 pipe but the reverse is not normally true. As a result, the one-way substitutability between imported welded A-312 and domestic A-778 pipes is high (also in the range of 3 to 6). Subject imports of welded A-312 pipes are likely less substitutable with other WSS pipes (such as A-358), and even less substitutable with WSS pressure tubes such as A-249 or A-269. For these products an estimate in the range of 0.5 to 3.0 is suggested, depending on the specific product.

PART III: CONDITION OF THE U.S. INDUSTRY

U.S. PRODUCERS' CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

The information presented in this section of the report is based on the questionnaire responses of 11 firms identified in table I-4 that supplied the Commission with usable information on their operations producing WSS pipes and pressure tubes.[1] In the Commission's questionnaire, U.S. producers were asked to report any changes in the character of their operations (i.e., plant openings, relocations, expansions, acquisitions, etc.) relating to the production of WSS pipes and pressure tubes since the first review of the subject orders. In response, tubing producer Dofasco noted that ***.[2] Outokumpu noted ***.[3] Marcegaglia noted it ***.[4] Plymouth ***.[5] Trent also noted ***.[6] Valtimet ***.[7] Webco ***.[8]

Table III-1 presents U.S. producers' capacity, production, and capacity utilization for WSS pipes and pressure tubes from 2000 to 2005, January-March 2005, and January-March 2006. Total capacity for WSS pipes and pressure tubes increased slightly during most of the period for which data were collected (with a small decline in 2004 and 2005), owing to efforts of U.S. producers to diversify their offerings and produce a variety of products, thereby reducing their dependence on the highly competitive market for welded A-312 pipes. Capacity utilization for WSS pipes and pressure tubes fluctuated between 2000 and 2005, reflecting in part a marked decrease in production of welded A-312 pipes. Production of welded A-312 pipes declined by 35.8 percent during 2000-05. The increase in production of the welded A-312 pipes between 2001 and 2002 was noted to be a result of a continuously increasing demand for all WSS pipes and pressure tubes since the end of the 2001 recession.[9] However, domestic production did not continue to increase at the same rate as did demand, owing to increased competition from imports, particularly from China.[10]

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[1] One known U.S. producer, Swepco, did not provide a response to the Commission, despite numerous contacts. Multiple attempts were made by staff to contact *** by phone between April 24 and May 3. Staff contacted *** at least seven times, on each occasion being told that the questionnaire response was coming or that the status of the questionnaire was unknown because it was being completed by ***.

[2] Dofasco's producer questionnaire, section II-2.

[3] Outokumpu's producer questionnaire, section II-2.

[4] Marcegaglia's producer questionnaire, section II-2.

[5] Plymouth Tube's producer questionnaire, section II-2.

[6] Trent's producer questionnaire, section II-2.

[7] Valtimet's producer questionnaire, section II-2.

[8] Webco's producer questionnaire, section II-2.

[9] Hearing transcript, p. 14 (Tidlow).

[10] Hearing transcript, p. 14 (Tidlow).

Table III-1
WSS pipes and pressure tubes: U.S. producers' capacity, production, and capacity utilization, 2000-05, January-March 2005, and January-March 2006

Item	Calendar year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
Welded A-312 pipes:								
Capacity *(short tons)*	82,867	71,391	71,493	77,250	75,499	71,637	18,231	17,708
Production *(short tons)*	50,170	40,328	46,554	42,140	40,259	32,217	7,729	9,905
Capacity utilization *(percent)*	60.5	56.5	65.1	54.6	53.3	45.0	42.4	55.9
Other welded pipes and pressure tubes:								
Capacity *(short tons)*	51,875	62,884	63,611	66,099	63,998	68,284	15,107	17,191
Production *(short tons)*	26,283	24,206	28,858	28,068	29,001	30,709	8,144	7,626
Capacity utilization *(percent)*	50.7	38.5	45.4	42.5	45.3	45.0	53.9	44.4
Total:								
Capacity *(short tons)*	134,742	134,275	135,104	143,349	139,497	139,921	33,338	34,899
Production *(short tons)*	76,453	64,534	75,412	70,208	69,260	62,926	15,873	17,531
Capacity utilization *(percent)*	56.7	48.1	55.8	49.0	49.6	45.0	47.6	50.2

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

U.S. PRODUCERS' U.S. SHIPMENTS AND EXPORT SHIPMENTS

U.S. producers' U.S. shipments are shown in table III-2, with data reported separately for welded A-312 pipe and other WSS pipes and pressure tubes. Internal consumption and transfers of WSS pipes and pressure tubes accounted for less than 4 percent of total shipments during 2000 through 2005.

Overall, U.S. producers' U.S. shipments of WSS pipes and pressure tubes declined from 71,809 short tons in 2000 to 61,941 short tons in 2005. However, in terms of value, U.S. shipments increased from $240.4 million in 2000 to $309.3 million in 2005.

Table III-2
WSS pipes and pressure tubes: U.S. producers' shipments, by type, 2000-05, January-March 2005, and January-March 2006

Item	Calendar year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
Quantity (*short tons*)								
Welded A-312 pipes:								
Commercial shipments	45,733	41,574	43,664	41,020	37,789	32,298	8,907	9,791
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	47,857	42,913	45,203	41,540	39,263	33,564	9,159	10,229
Export shipments	498	550	450	412	448	149	184	273
Total	48,356	43,464	45,652	41,951	39,711	33,713	9,343	10,503
Value (*$1,000*)								
Welded A-312 pipes:								
Commercial shipments	142,916	106,859	101,540	103,826	148,464	143,786	37,251	38,650
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	149,266	110,220	105,234	105,256	154,136	149,582	38,439	40,781
Export shipments	1,826	1,606	1,327	1,408	2,181	821	678	1,085
Total	151,092	111,826	106,561	106,665	156,317	150,403	39,118	41,866
Unit value (*per short ton*)								
Welded A-312 pipes:								
Commercial shipments	$3,125	$2,570	$2,325	$2,531	$3,929	$4,452	$4,182	$3,948
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	3,119	2,568	2,328	2,534	3,926	4,457	4,197	3,987
Export shipments	3,667	2,919	2,949	3,417	4,868	5,510	3,685	3,972
Average	3,125	2,573	2,334	2,543	3,936	4,461	4,187	3,986
	Share of shipment quantity *(percent)*							
Welded A-312 pipes:								
Commercial shipments	94.6	95.7	95.6	97.8	95.2	95.8	95.3	93.2
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments .	99.0	98.7	99.0	99.0	98.9	99.6	98.0	97.4
Export shipments .	1.0	1.3	1.0	1.0	1.1	0.4	2.0	2.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table continued on following page.

Table III-2--C*ontinued*
WSS pipes and pressure tubes: U.S. producers' shipments, by type, 2000-05, January-March 2005, and January-March 2006

Item	Calendar year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
Quantity (*short tons*)								
Other WSS pipes and pressure tubes:								
Commercial shipments	23,673	24,096	26,206	24,612	25,967	28,068	7,431	7,972
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	23,952	24,476	26,446	24,801	26,310	28,377	7,469	8,011
Export shipments	1,342	2,177	1,677	2,089	3,362	3,168	844	573
Total	25,293	26,652	28,123	26,890	29,672	31,545	8,313	8,584
Value *($1,000)*								
Other WSS pipes and pressure tubes:								
Commercial shipments	90,482	99,609	99,460	96,339	126,017	158,628	36,465	46,068
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	91,183	100,669	100,049	96,792	127,108	159,729	36,596	46,238
Export shipments	4,463	8,537	6,008	6,732	13,173	14,687	3,563	2,742
Total	95,646	109,206	106,057	103,523	140,281	174,416	40,158	48,980
Unit value *(per short ton)*								
Other WSS pipes and pressure tubes:								
Commercial shipments	3,822	4,134	3,795	3,914	4,853	5,652	4,907	5,779
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	3,807	4,113	3,783	3,903	4,831	5,629	4,900	5,772
Export shipments	3,327	3,922	3,584	3,222	3,918	4,636	4,222	4,787
Average	3,781	4,097	3,771	3,850	4,728	5,529	4,831	5,706
Share of shipment quantity *(percent)*								
Other WSS pipes and pressure tubes:								
Commercial shipments	93.6	90.4	93.2	91.5	87.5	89.0	89.4	92.9
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	94.7	91.8	94.0	92.2	88.7	90.0	89.8	93.3
Export shipments	5.3	8.2	6.0	7.8	11.3	10.0	10.2	6.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table continued on following page.

Table III-2--C*ontinued*
WSS pipes and pressure tubes: U.S. producers' shipments, by type, 2000-05, January-March 2005, and January-March 2006

Item	Calendar year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
Quantity (*short tons*)								
WSS pipes and pressure tubes:								
Commercial shipments	69,406	65,670	69,870	65,631	63,756	60,366	16,338	17,763
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	71,809	67,389	71,649	66,340	65,573	61,941	16,628	18,240
Export shipments	1,840	2,727	2,126	2,501	3,810	3,317	1,028	846
Total	73,649	70,116	73,775	68,841	69,383	65,258	17,656	19,086
Value (*$1,000*)								
WSS pipes and pressure tubes:								
Commercial shipments	233,398	206,468	201,000	200,165	274,481	302,414	73,716	84,718
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	240,449	210,889	205,283	202,048	281,244	309,311	75,035	87,019
Export shipments	6,289	10,143	7,335	8,140	15,354	15,508	4,241	3,827
Total	246,738	221,032	212,618	210,188	296,598	324,819	79,276	90,846
Unit value *(per short ton)*								
WSS pipes and pressure tubes:								
Commercial shipments	$3,363	$3,144	$2,877	$3,050	$4,305	$5,010	$4,512	$4,769
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	3,348	3,129	2,865	3,046	4,289	4,994	4,513	4,771
Export shipments	3,418	3,719	3,450	3,255	4,030	4,675	4,125	4,524
Average	3,350	3,152	2,882	3,053	4,275	4,977	4,490	4,760
Share of shipment quantity (percent)								
WSS pipes and pressure tubes:								
Commercial shipments	94.2	93.7	94.7	95.3	91.9	92.5	92.5	93.0
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	97.5	96.1	97.1	96.4	94.5	94.9	94.2	95.6
Export shipments	2.5	3.9	2.9	3.6	5.5	5.1	5.8	4.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Not applicable.

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

U.S. producers' commercial shipments of welded A-312 pipes declined by 29.4 percent, from 45,733 short tons in 2000 to 32,298 short tons in 2005; U.S. producers' shipments of A-312 pipes as a share of total commercial shipments of WSS pipes and pressure tubes fell from 65.9 percent to 53.5 percent, as derived from the following tabulation.[11]

Item	2000	2005
Welded A-312 pipes *(quantity in short tons)*	45,733	32,298
Welded A-312 pipes *(unit value, per short ton)*	$3,125	$4,452
Other WSS pipes and pressure tubes *(quantity in short tons)*	23,673	28,068
Other WSS pipes and pressure tubes *(unit value, per short ton)*	$3,822	$5,652

The unit value of U.S. producers' commercial shipments of welded A-312 pipes increased by 42.4 percent from 2000-05; during the same period the unit values of the non-A-312 WSS pipes and pressure tubes increased by 47.9 percent. These increases seen in unit values of all WSS pipes and pressure tubes reflect both the producers' increased raw material costs and the shift to production of more specialized WSS pipes and pressure tubes.

U.S. PRODUCERS' INVENTORIES

Table III-3 presents U.S. producers' inventories. Inventories of welded A-312 pipes varied somewhat irregularly, decreasing by 41.2 percent between 2000 and 2001, but after 2001 remaining fairly stable. Inventories of non-A-312 WSS pipes and pressure tubes declined irregularly during 2000-05. In 2005, these inventories were down from 2000 levels by 27.5 percent. Overall, inventories of WSS pipes and pressure tubes decreased both in absolute terms and relative terms during the period for which data were collected.

[11] Compiled from data submitted in response to Commission questionnaires.

Table III-3
WSS pipes and pressure tubes: U.S. producers' end-of-period inventories, 2000-05, January-March 2005, and January-March 2006

Item	Calendar year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
Welded A-312 pipes:								
Inventories (*short tons*)	13,006	7,646	8,563	7,749	8,878	7,442	7,618	6,637
Ratio of inventories to production (*percent*)	25.9	19.0	18.4	18.4	22.1	23.1	24.6	16.8
Ratio of inventories to U.S. shipments (*percent*)	27.2	17.8	18.9	18.7	22.6	22.2	20.8	16.2
Ratio of inventories to total shipments (*percent*)	26.9	17.6	18.8	18.5	22.4	22.1	20.4	15.8
Other WSS pipes and pressure tubes:								
Inventories (*short tons*)	9,512	9,290	10,010	9,191	7,939	6,892	7,450	5,897
Ratio of inventories to production (*percent*)	36.2	38.4	34.7	32.7	27.4	22.4	22.9	19.3
Ratio of inventories to U.S. shipments (*percent*)	38.0	35.8	36.4	34.8	27.6	24.2	24.9	18.4
Ratio of inventories to total shipments (*percent*)	37.6	34.9	35.6	34.2	26.8	21.8	22.4	17.2
All WSS pipes and pressure tubes:								
Inventories (*short tons*)	22,518	16,936	18,573	16,940	16,817	14,334	15,068	12,534
Ratio of inventories to production (*percent*)	29.5	26.2	24.6	24.1	24.3	22.8	23.7	17.9
Ratio of inventories to U.S. shipments (*percent*)	31.4	25.1	25.9	25.5	25.6	23.1	22.7	17.2
Ratio of inventories to total shipments (*percent*)	30.6	24.2	25.2	24.6	24.2	22.0	21.3	16.4

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

U.S. PRODUCERS' IMPORTS AND PURCHASES

There were no reported imports or purchases of welded A-312 pipes from Korea, Taiwan, or any other sources by U.S. producers.

U.S. PRODUCERS' EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-4 presents employment data for U.S. producers. In the case of production of welded A-312 pipes, the number of employees, hours worked, and wages paid generally declined during 2000-05, as productivity fluctuated, increasing through 2004 and then declining in 2005. The most dramatic decline in the number of production workers for welded A-312 pipes occurred concurrently with the recession during 2000-01, when employment declined from 535 to 355, or by 33.6 percent. Most of these losses occurred in ***, which lost 42.5 percent of their production workers for welded A-312 pipes.

The reverse trend is generally seen for the production of other WSS pipes and pressure tubes. The number of employees involved in the production on the non A-312 WSS pipes and pressure tubes increased from 507 in 2000 to 578 in 2002, before declining through 2004 to 508. In 2005, employment again increased to 542.

During 2000-05, the number of employees producing all WSS pipes and pressure tubes decreased from 1,042 to 870 (a decline of 17 percent, principally by ***). Hours worked and wages both fluctuated during 2000-05, and both declined during that period by 11.9 percent and 9.2 percent respectively.

Table III-4
WSS pipes and pressure tubes: Average number of production and related workers, hours worked, wages paid to such workers, hourly wages, productivity, and unit labor costs, 2000-05, January-March 2005, and January-March 2006

	Calendar year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
Welded A-312 pipes:								
PRWs *(number)*	535	355	336	325	338	328	319	322
Hours worked *(1,000)*	1,151	811	779	747	795	810	180	182
Wages paid *($1,000)*	17,610	11,937	11,544	11,219	11,731	11,759	2,911	2,791
Hourly wages	$15.30	$14.72	$14.82	$15.01	$14.75	$14.52	$16.19	$15.34
Productivity *(short tons per 1,000 hours)*	43.6	49.7	59.8	56.4	50.6	39.8	43.0	54.4
Unit labor costs *(per short ton)*	$351.00	$295.98	$247.96	$266.23	$291.38	$365.00	$376.68	$281.79
Other WSS pipes and pressure tubes:								
PRWs *(number)*	507	574	578	552	508	542	486	588
Hours worked *(1,000)*	777	883	935	902	790	888	221	269
Wages paid *($1,000)*	11,086	13,484	14,223	13,448	12,420	14,290	3,543	4,632
Hourly wages	$14.28	$15.27	$15.21	$14.92	$15.73	$16.09	$16.03	$17.25
Productivity *(short tons per 1,000 hours)*	32.7	26.2	30.1	30.5	35.3	32.1	33.5	27.1
Unit labor costs *(per short ton)*	$436.44	$582.84	$505.65	$488.87	$445.14	$500.62	$479.12	$637.39
All WSS pipes and pressure tubes:								
PRWs *(number)*	1,042	929	914	877	846	870	805	910
Hours worked *(1,000)*	1,928	1,694	1,714	1,649	1,585	1,698	401	450
Wages paid *($1,000)*	28,696	25,421	25,767	24,667	24,151	26,049	6,454	7,423
Hourly wages	$14.88	$15.01	$15.03	$14.96	$15.24	$15.34	$16.10	$16.48
Productivity *(short tons per 1,000 hours)*	39.2	37.5	43.6	42.2	43.0	35.8	37.7	38.1
Unit labor costs *(per short ton)*	$379.72	$400.56	$345.02	$354.16	$354.32	$428.71	$426.77	$432.27

Note.--Because of rounding, figures may not add to totals shown.

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

FINANCIAL EXPERIENCE OF U.S. PRODUCERS

Background

Eleven firms reported usable financial data on their operations on WSS pipes and pressure tubes.[12] These data accounted for the majority of known U.S. production of WSS pipes and pressure tubes in 2005.[13]

Operations on WSS Pipes and Pressure Tubes

Results of U.S. firms' operations on WSS pipes and pressure tubes are briefly summarized here. Total net sales quantities decreased irregularly between 2000 and 2005 (table III-5). Total net sales values increased by 29.1 percent between 2000 and 2005, attributable to increased average unit sales values (which rose by 48.6 percent). The total cost of goods sold ("COGS") increased, led by higher raw material costs (up 39.4 percent), but those costs did not increase as rapidly as did the value of sales. The industry's operating income fluctuated noticeably from losses during 2000-03 to profits in 2004 and 2005, attributable to the spread between sales values and costs. The reporting firms together recorded an operating profit during January-March 2005 and January-March 2006, reflecting the continued spread between average unit sales values and average unit operating costs (COGS and SG&A expenses). Net income tracked operating income as did cash flow.

[12] These firms are: Alaskan, Bristol, Dofasco, Felker, Greenville, Marcegaglia, Outokumpu, Plymouth, Trent, Valtimet, and Webco. Except for ***, each of the remaining firms has a fiscal year that ends on December 31. Differences between the financial data and the trade data in this report are primarily accounted for by these timing differences, as well as returns and allowances reported by ***, which reduced sales but not shipments. Staff conformed *** shipments to its sales in 2000-05 and both interim periods. See Note to file on *** data, July 14, 2006. Also, *** did not report data for either interim period. The financial data presented here are estimates by all or nearly all of the reporting firms that are based on their overall results because they do not maintain product line statements at the level of detail requested in the Commission's questionnaire. In the cases of ***, staff adjusted reported data to estimate the requested breakout or the results of operations. *See* ***.

[13] Financial data reported for operations on welded A-312 pipes and, separately, for other WSS pipes and pressure tubes, appear in tables C-1 and C-2. Financial data reported for operations on welded A-312 and A-778 pipes combined appear in table C-4.

Table III-5
WSS pipes and pressure tubes: Results of operations of U.S. firms, fiscal years, 2000-05, January-March 2005, and January-March 2006

Item	Fiscal year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
	Quantity (*short tons*)							
Commercial sales	71,970	69,428	73,083	69,116	68,031	63,057	14,081	14,948
Internal consumption[1]	***	***	***	***	***	***	***	***
Transfers to related	***	***	***	***	***	***	***	***
Total net sales	74,373	71,147	74,862	69,825	69,848	64,632	14,371	15,425
	Value (*$1,000*)							
Commercial sales	246,344	223,938	215,720	215,762	294,965	320,325	65,463	74,217
Internal consumption[1]	***	***	***	***	***	***	***	***
Transfers to related	***	***	***	***	***	***	***	***
Total net sales	253,395	228,359	220,003	217,645	301,728	327,222	66,782	76,518
COGS:								
Raw materials	149,447	139,786	134,722	133,386	179,797	208,588	40,775	49,127
Direct labor	33,308	29,857	29,594	26,368	27,593	29,151	7,061	7,373
Other factory costs	50,302	53,008	65,272	56,766	55,231	56,998	10,773	11,069
Total COGS	233,057	222,651	229,588	216,520	262,621	294,737	58,609	67,568
Gross profit or (loss)	20,338	5,708	(9,585)	1,125	39,107	32,485	8,173	8,950
SG&A expenses	24,424	21,871	20,982	18,154	21,543	21,870	4,573	5,255
Operating income or	(4,086)	(16,162)	(30,567)	(17,028)	17,564	10,615	3,600	3,695
Interest expense	5,682	4,708	3,198	2,992	2,640	3,427	811	660
Other expense	3,674	4,076	4,275	3,834	3,230	3,933	836	700
Other income[3]	2,514	2,260	1,614	1,458	6,103	13,247	2,500	657
Net income or (loss)	(10,928)	(22,686)	(36,426)	(22,397)	17,797	16,502	4,453	2,991
Depreciation/amortizatio	9,558	10,105	10,018	8,096	6,864	6,465	1,449	1,375
Cash flow	(1,370)	(12,581)	(26,408)	(14,300)	24,661	22,967	5,901	4,366

Table continued on following page.

Table III-5--*Continued*
WSS pipes and pressure tubes: Results of operations of U.S. firms, fiscal years, 2000-05, January-March 2005, and January-March 2006

Item	Fiscal year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
	Ratio to net sales (*percent*)							
COGS:								
Raw materials	59.0	61.2	61.2	61.3	59.6	63.7	61.1	64.2
Direct labor	13.1	13.1	13.5	12.1	9.1	8.9	10.6	9.6
Other factory costs	19.9	23.2	29.7	26.1	18.3	17.4	16.1	14.5
Total COGS	92.0	97.5	104.4	99.5	87.0	90.1	87.8	88.3
Gross profit or (loss)	8.0	2.5	(4.4)	0.5	13.0	9.9	12.2	11.7
SG&A expenses	9.6	9.6	9.5	8.3	7.1	6.7	6.8	6.9
Operating income or	(1.6)	(7.1)	(13.9)	(7.8)	5.8	3.2	5.4	4.8
	Unit value (*dollars per short ton*)							
Commercial sales	3,423	3,225	2,952	3,122	4,336	5,080	4,649	4,965
Internal consumption[1]	***	***	***	***	***	***	***	***
Transfers to related	***	***	***	***	***	***	***	***
Total net sales	3,407	3,210	2,939	3,117	4,320	5,063	4,647	4,961
Cost of goods sold:								
Raw materials	2,009	1,965	1,800	1,910	2,574	3,227	2,837	3,185
Direct labor	448	420	395	378	395	451	491	478
Other factory costs	676	745	872	813	791	882	750	718
Total COGS	3,134	3,129	3,067	3,101	3,760	4,560	4,078	4,380
Gross profit or (loss)	273	80	(128)	16	560	503	569	580
SG&A expenses	328	307	280	260	308	338	318	341
Operating income or	(55)	(227)	(408)	(244)	251	164	251	240
	Number of firms reporting							
Operating losses	7	6	8	8	3	5	3	5
Data[4]	11	11	11	11	11	11	9	9

[1] Accounted for by ***.
[2] Accounted for by ***.
[3] Includes CDSOA (Byrd Amendment) funds received and reported by ***. Also, *see* table I-2.
[4] *** did not report financial data for either interim period.

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

Table III-6 provides firm-by-firm data on the results of operations on WSS pipes and pressure tubes.

Table III-6
WSS pipes and pressure tubes: Results of operations of U.S. firms, by firm, fiscal years 2000-05, January-March 2005, and January-March 2006

* * * * * * *

U.S. producers may be ranked into three groups according to their sales in 2005 although *** would be ranked *** if an earlier year were used (table III-6, presented earlier). ***, comprising the first group, accounted for approximately *** percent and *** percent of the industry's sales, by volume and value, respectively in 2005, but *** percent of the industry's operating income in that year (***). Sales quantity of *** between 2000 and 2005; the value of sales of the *** firms increased, driven by increasing average unit values of sales. Profitability was *** among these firms during 2000-05. Between January-March 2005 and the same period in 2006, these firms' sales quantity and value increased although unit sales values declined and profitability was *** among the firms.

***, comprising the second group (ranked according to 2005 sales), accounted for approximately *** percent and *** percent by quantity and value, respectively, and ***. The sales quantity of *** declined *** between 2000 and 2005 while the sales quantity of *** increased; the sales value of *** increased, driven by an increase in unit sales value. Profitability was mixed, with ***. Between January-March 2005 and the same period in 2006, ***.[14]

The remaining firms, ***, comprise the third group in terms of sales, and except for *** were largely ***.[15] During 2000-05, the sales quantity of four of the firms increased but declined irregularly by approximately *** percent in the case of *** and by *** percent in the case of ***. Except for ***, sales value rose during the six yearly periods reviewed; the average unit value of sales increased for each firm. Profitability was mixed, as noted earlier. During January-March 2005 and the same period in 2006, unit sales values of *** increased while the unit sales values of ***[16] declined. Profitability was mixed, but only *** reported operating profits in both periods.

Raw materials reportedly are a driving factor of prices of WSS pipes and pressure tubes.[17] They typically include a base price for the grade of stainless steel sheet or strip that is used to form a welded pipe or pressure tube as well as price adjustments for changes in the price of nickel, molybdenum, and chrome. These raw material inputs to make stainless steel have increased substantially between 2001 and 2006 and the base price of stainless steel sheet also has increased during the period. The average unit value of raw materials increased by approximately 64 percent from 2001 to 2006.[18]

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[14] The increase of average unit values in 2005 and January-March 2006 was attributed to *** in April 2005.

[15] *** produce other grades of stainless steel pipes and tubes. For these firms as well as for others in the industry, costs were allocated to WSS pipes and pressure tubes from the firm's overall operations. When asked whether the operating results were reasonable, representatives of the firms replied in the affirmative, indicating that their other products enjoyed higher sales values and greater profitability. ***.

[16] The average unit sales value of *** in both January-March 2005 and January-March 2006 are less than *** that of calendar year 2005. Personnel at the firm implied this was due to a difference in product mix.

[17] Staff telephone interview with ***, May 17, 2006. Both *** reported unit average sales values higher than the industry average during 2000-05. Increases in average values from period to period appear to be attributable in part to increased raw material costs while the higher average unit value is probably due to the firm's mix of products sold. *** stated that "every tube is made to order." ***. A spokesman for *** indicated that the firm has reduced its sales of commodity products, focused its remaining sales, ***. Staff telephone interview with ***, May 17, 2006.

[18] The industry witness stated at the hearing that his firm has recorded gains on inventory of raw material inputs during the past two years. Hearing transcript, p. 60 (Tidlow). Similarly, counsel to domestic interested parties stated that "it's not so much that the industry is "raising" its prices. It's passing along the nickel, molybdenum, chromium

(continued...)

At the Commission's hearing, domestic interested parties distinguished welded A-312 pipes from other WSS pipes and tubes in terms of the financial experience of that part of the U.S. industry. First, they stated that the financial indicators for welded A-312 pipes separately are worse compared with the data for all WSS pipes and tubes, attributed to the inclusion of certain highly specialized and very profitable pipe and tube products that are included in the broader definition of the like product.[19] Second, domestic interested parties stated that where mills have closed, those closures have mostly affected the production and sale of welded A-312 pipes.[20] They contended that this contributed to the declining percentage of sales of welded A-312 pipes compared with all WSS pipes and tubes and was attributed to price pressure from imports of this grade. Last, although the production of more specialized products has increased, U.S. producers contend that they still need to produce commodity grade welded A-312 pipes in order to spread fixed plant costs over a larger production volume, thereby reducing average unit fixed costs.[21]

Six firms reported their sales of welded A-312 pipes separately or provided sufficient information for staff to compile the requested breakout. These firms were: ***. The remaining five firms either stated that they do not manufacture, or do not compete with welded A-312 pipes, or wrote "N/A" on the questionnaire response. Certain U.S. producers, such as ***, apparently have scaled back their production and sales of welded A-312 pipes during the period reviewed.[22] The combined sales of welded A-312 pipes of the six firms accounted for a declining percentage of total WSS pipes and pressure tubes, *** percent in 2000 down to *** percent in 2005, by quantity, while in terms of value, sales of welded A-312 pipes accounted for *** percent in 2000 but only *** percent in 2005. The average unit sales value for the six firms together increased from $*** per short ton in 2000 to $*** per short ton in 2005, i.e., lower than the average unit sales values of total WSS pipes and tubes and did not increase to the same extent. Profitability of the six firms differed from the overall industry producing all WSS pipes and pressure tubes: these six firms collectively recorded operating losses during 2000-04 that were greater than the operating losses recorded by U.S. producers on all WSS pipes and pressure tubes during those years; producers of welded A-312 pipes also recorded losses in 2005 and January-March 2006 when the industry as a whole was profitable. The operating profits of *** only offset some of the losses of the remaining *** producers of welded A-312 pipes. As noted earlier, *** and *** in January-March 2006 did not compensate for the ***.

In the first review, the domestic interested parties raised the argument that only A-778 welded pipe and A-312 welded pipe should be included within the domestic like product because only these two types of welded pipes are true pressure pipe products, tend to be made on the same production lines, and are sold through similar distribution channels.[23] Following the hearing, the Commission requested that supplemental data be gathered on welded A-778 pipes. Four firms, ***, provided usable data on their operations on welded A-778 pipes.[24] These data account for approximately 10 percent of the total combined data of welded A-312 and welded A-778 pipes (appendix table C-4). Because a majority of the data are accounted for by ***, that *** profitability is reflected in the combined four-firm operations on welded A-778 pipes, and the four firms together reported an operating profit in each period reviewed.

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[18] (...continued)
surcharges it's getting from its raw material suppliers." Hearing transcript, p. 61 (Schagrin).

[19] Hearing transcript, pp. 6-7, 30, and 37-38 (Schagrin).

[20] Written testimony of Lorenzo Biagi, p. 1; hearing transcript, pp. 14-15 (Tidlow) and 45-48 (Schagrin).

[21] Written testimony of Lorenzo Biagi, p. 2. Mr. Tidlow testified that his firm largely exited the production of commodity grade A-312 and reduced the number of production shifts from three per day to one per day. The commodity grade is mostly produced on continuous pipe mills as opposed to batch products made on press brakes for specialized uses. Hearing transcript, pp. 35, 47, and 100-101; also, *see* posthearing brief of domestic interested parties, p. 6, n. 11.

[22] For example, *** stated that most of the price competition is in grade A-312 and that firm's sales of welded A-312 pipes were down by *** percent in 2005 in favor of other WSS pipes and pressure tubes, compared with 2000. E-mail to staff from ***, May 16, 2006.

[23] Hearing transcript, pp. 49-50 (Schagrin).

[24] Staff allocated and compiled data on behalf of ***. Note to file, June 28, 2006.

Sales and COGS average unit values for welded A-778 pipes are lower than those items for welded A-312 pipes by approximately *** percent and *** percent in 2005, respectively.

Variance Analysis

The variance analysis showing the effects of prices and volume on U.S. producers' net sales of WSS pipes and pressure tubes, and of costs and volume on their total expenses, is presented in table III-7. The information for this variance analysis is derived from table III-5, but differs in that only total net sales are shown. The variance analysis provides an assessment of changes in profitability as related to changes in pricing, cost, and volume. This analysis is more effective when the product involved is a homogeneous product with no variation in product mix. Based on this variance analysis, the change in overall operating income between 2000 and 2005 was a favorable price variance (higher average unit sales values) that was greater than the unfavorable cost/expense variance (higher average unit COGS and SG&A expenses). This was the pattern between most of the periods reviewed except for 2000-01 and 2001-02. Because of changes in the product mix of several firms and incomplete interim period data, the variance analysis is not presented for January-March 2005-06.

Table III-7
WSS pipes and pressure tubes: Variance analysis on U.S. firms' operations, fiscal years 2000-05

Item	Fiscal year					
	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05
	Value (*$1,000*)					
Total net sales:						
Price variance	107,015	(14,045)	(20,280)	12,445	84,011	48,026
Volume variance	(33,188)	(10,991)	11,924	(14,803)	72	(22,532)
Total net sales variance	73,827	(25,036)	(8,356)	(2,358)	84,083	25,494
Cost of sales:						
Cost variance	(92,205)	297	4,689	(2,379)	(46,030)	(51,728)
Volume variance	30,525	10,109	(11,626)	15,448	(71)	19,612
Total cost variance	(61,680)	10,406	(6,937)	13,068	(46,101)	(32,116)
Gross profit variance	12,147	(14,630)	(15,293)	10,710	37,982	(6,622)
SG&A expenses:						
Expense variance	(645)	1,494	2,030	1,417	(3,384)	(1,935)
Volume variance	3,199	1,059	(1,142)	1,412	(6)	1,609
Total SG&A variance	2,554	2,553	888	2,829	(3,389)	(327)
Operating income variance	14,701	(12,077)	(14,405)	13,539	34,593	(6,949)
Summarized as:						
Price variance	107,015	(14,045)	(20,280)	12,445	84,011	48,026
Net cost/expense variance	(92,850)	1,791	6,719	(962)	(49,413)	(53,663)
Net volume variance	535	177	(844)	2,057	(6)	(1,312)

Note: Unfavorable variances are shown in parentheses; all others are favorable.

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

Assets and Return on Investment

The Commission's questionnaire requested data on assets used in the production, warehousing, and sale of WSS pipes and pressure tubes to compute return on investment ("ROI") for 2000 to 2005 (table III-8). The data for total net sales and operating profit or (losses) are from table III-5. Operating income was divided by total net sales, resulting in the operating income ratio. Total net sales was divided by total assets, resulting in the asset turnover ratio. The operating income ratio was then multiplied by the asset turnover ratio, resulting in ROI; the expanded form of this equation shows how the profit margin and total assets turnover ratio interact to determine the return on investment.

Table III-8
WSS pipes and pressure tubes: Value of assets used in production, warehousing, and sales, and return on investment, fiscal years 2000-05

Item	Fiscal year					
	2000	2001	2002	2003	2004	2005
	Value (*$1,000*)					
Current assets:						
Cash and equivalents	1,004	829	1,136	892	2,142	3,928
Accounts receivable, net	21,306	20,221	24,113	25,180	35,178	39,945
Inventories (finished goods)	41,214	34,470	27,001	27,001	32,002	27,809
All other current assets[1]	50,132	30,616	29,193	30,033	33,878	48,043
Total current assets	113,656	86,136	81,443	83,106	103,200	119,725
Non-current assets:						
Original cost of property, plant, and equipment	115,980	121,566	117,463	119,849	107,665	120,568
Accumulated depreciation	52,855	59,909	66,078	70,964	72,503	77,338
Book value of property, plant, and equipment	63,125	61,657	51,385	48,885	35,162	43,230
All other non-current assets[2]	1,647	1,713	1,171	2,998	3,018	3,088
Total non-current assets	64,772	63,370	52,556	51,883	38,180	46,318
Total assets	178,428	149,506	133,999	134,989	141,380	166,043
Total net sales	253,395	228,359	220,003	217,645	301,728	327,222
Operating profit or (loss)	(4,086)	(16,162)	(30,567)	(17,028)	17,564	10,615
	Ratio (*percent*)					
Return on investment (*percent*)[3]	(2.3)	(10.8)	(22.8)	(12.6)	12.4	6.4

[1] Composed primarily of inventories other than finished goods (i.e., raw materials and work in process).
[2] Composed primarily of goodwill, licenses, pension assets, and similar intangible items.
[3] Calculated by multiplying the operating income ratio times the asset turnover ratio (discussed earlier), or dividing operating income by total assets.

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

ROI generally followed trends in operating income that were discussed earlier in connection with table III-5, but changed at different rates because of changes in total assets. Generally, U.S. firms allocated costs, expenses, and assets to WSS pipes and pressure tubes, which represents one product group out of several that are produced in their multiproduct plants. Hence, the decrease in the value of total assets represents an allocation issue in part. ROI was negative from 2000 through 2003, peaking at a negative 22.8 percent in 2002; domestic interested parties attributed the operating losses and negative ROI to the continuing effects of a U.S. recession in 2001-02. Domestic interested parties also stated that the positive but declining ROI recorded in 2004 and 2005 is not adequate to maintain a healthy industry.[25]

[25] Hearing transcript, p. 29 (Schagrin).

Capital Expenditures and Research and Development Expenses

U.S. producers' data on their capital expenditures and research and development ("R&D") expenses for their operations on WSS pipes and pressure tubes are shown in table III-9.

Table III-9
WSS pipes and pressure tubes: U.S. firms' capital expenditures and research and development expenses, fiscal years 2000-05, January-March 2005, and January-March 2006

Item	Fiscal year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
	Value (*$1,000*)							
Capital expenditures:								
Alaskan	***	***	***	***	***	***	***	***
Bristol	***	***	***	***	***	***	***	***
Dofasco	***	***	***	***	***	***	***	***
Felker	***	***	***	***	***	***	***	***
Greenville	***	***	***	***	***	***	***	***
Marcegaglia	***	***	***	***	***	***	***	***
Outokumpu	***	***	***	***	***	***	***	***
Plymouth	***	***	***	***	***	***	***	***
Trent	***	***	***	***	***	***	***	***
Valtimet	***	***	***	***	***	***	***	***
Webco	***	***	***	***	***	***	***	***
Total	10,223	7,618	5,656	4,740	8,942	12,250	1,066	2,512
R&D expenses[2]	***	***	***	***	***	***	***	***

[1] No data reported.
[2] Reported by ***.

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

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

U.S. IMPORTS

This section of the report relies on official import statistics as compiled by the U.S. Department of Commerce. Although relied upon also in both the original investigations and the first reviews, these data do have some limitations. For example, official statistics encompass not only welded A-312 pipes, but also include unknown quantities of other pipes and tubes. For purposes of these reviews, it is assumed that welded A-312 pipes account for all U.S. imports under the six specific statistical reporting numbers under HTS subheading 7306.40.50 described in Commerce's scope (as modified). Although this assumption may somewhat overstate the amount of imports of welded A-312 pipes, it is believed that imports of other WSS pipes and pressure tubes included in these specific statistical reporting numbers are quite small.[1] All other WSS pipes and pressure tubes are assumed to comprise the majority of imports under the remaining statistical reporting numbers under HTS subheading 7306.40.50.[2]

Tables IV-1, IV-2, and IV-3 present U.S. imports from Korea and Taiwan (subject and nonsubject) and from all other sources, for welded A-312 pipes, for other WSS pipes and tubes, and for all WSS pipes and tubes, respectively.[3] Imports of subject welded A-312 pipes from Taiwan are based on proprietary Customs information, while imports from all other sources are based on official Commerce statistics. At this time, official statistics are the most accurate measure of imports of WSS pipes and pressure tubes.

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[1] According to Mr. John Tidlow of Bristol, the typical pipe and/or tubing products imported into the United States are standard stocks and standard lengths, generally of welded A-312 pipes, and A-778 represents a very small percentage of the import market. Hearing transcript, p. 111 (Tidlow).

[2] *See* "Tariff Treatment" in Part I of this report. Thus, while welded A-312 pipes comprise the majority of imports under HTS statistical reporting numbers 7306.40.5005, 7306.40.5015, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085, other WSS pipes and pressure tubes are assumed to constitute the majority of the imports under the remaining statistical reporting numbers included in HTS subheading 7306.40.50, specifically 7306.40.5042, 7306.40.5044, 7306.40.5080, and 7306.40.5090.

The allocation of imports from Taiwan into subject and nonsubject categories for 2000-05 was based on proprietary Customs information. Such information was not available for January-March 2006, so the allocation was based on the previous year's data.

[3] The largest sources (by quantity) of imports of WSS pipes and pressure tubes in 2005 (primarily welded A-312 pipes) were China, Taiwan, Canada, Korea, Malaysia, and Spain. Other lesser suppliers include Germany and Thailand.

Table IV-1
Welded A-312 pipes: U.S. imports, by sources, 2000-05, January-March 2005, and January-March 2006

Item	Calendar year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
Quantity (*short tons*)								
Imports from Korea	2,403	2,938	3,259	4,549	5,708	5,716	977	745
Imports from Taiwan (subject)	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Imports from Taiwan (nonsubject)[1]	***	***	***	***	***	***	***	***
All other sources	12,899	9,419	10,686	14,138	20,048	25,894	5,629	6,269
Total	29,439	22,423	23,055	29,770	35,595	41,456	8,900	9,815
Value ($*1,000*)[2]								
Imports from Korea	5,181	5,427	6,212	8,550	14,491	17,577	2,768	2,223
Imports from Taiwan (subject)	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Imports from Taiwan (nonsubject)[1]	***	***	***	***	***	***	***	***
All other sources	44,822	38,356	36,747	42,166	72,490	106,534	22,286	23,472
Total	86,480	64,187	61,245	74,573	119,814	161,771	34,197	34,180
Unit value (*per short ton*)								
Imports from Korea	$2,156	$1,847	$1,906	$1,879	$2,539	$3,075	$2,832	$2,984
Imports from Taiwan (subject)	***	***	***	***	***	***	***	***
Average	***	***	***	***	***	***	***	***
Imports from Taiwan (nonsubject)[1]	***	***	***	***	***	***	***	***
All other sources	3,475	4,072	3,439	2,983	3,616	4,114	3,959	3,744
Average	2,938	2,863	2,656	2,505	3,366	3,902	3,843	3,482

Table continued on next page. Footnotes at end of table.

Table IV-1--*Continued*
Welded A-312 pipes: U.S. imports, by sources, 2000-05, January-March 2005, and January-March 2006

Item	Calendar year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
Share of quantity (*percent*)								
Imports from Korea	8.2	13.1	14.1	15.3	16.0	13.8	11.0	7.6
Imports from Taiwan (subject)	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Imports from Taiwan (nonsubject)[1]	***	***	***	***	***	***	***	***
All other sources	43.8	42.0	46.4	47.5	56.3	62.5	63.2	63.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Share of value (*percent*)								
Imports from Korea	6.0	8.5	10.1	11.5	12.1	10.9	8.1	6.5
Imports from Taiwan (subject)	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Imports from Taiwan (nonsubject)[1]	***	***	***	***	***	***	***	***
All other sources	51.8	59.8	60.0	56.5	60.5	65.9	65.2	68.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Ratio of import quantity to U.S. production (*percent*)								
Imports from Korea	4.8	7.3	7.0	10.8	14.2	17.7	12.6	7.5
Imports from Taiwan (subject)	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Imports from Taiwan (nonsubject)[1]	***	***	***	***	***	***	***	***
All other sources	25.7	23.4	23.0	33.5	49.8	80.4	72.8	63.3
Total	58.7	55.6	49.5	70.6	88.4	128.7	115.2	99.1

[1] Nonsubject imports from Taiwan are from Chang Mien and Ta Chen.
[2] Landed, duty-paid.

Note.--Because of rounding, figures may not add to totals shown.

Source: Import data compiled from official Commerce statistics for HTS statistical reporting numbers 7306.40.5005, 7306.40.5015, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085; Taiwan (nonsubject) data compiled from proprietary Customs data.

Table IV-2
Other WSS pipes and pressure tubes: U.S. imports, by sources, 2000-05, January-March 2005, and January-March 2006

Item	Calendar year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
Quantity (*short tons*)								
Imports from Korea[1]	35	51	36	17	30	86	12	0
Imports from Taiwan[1]	2,403	1,014	1,961	2,700	2,626	2,211	427	702
All other sources	5,426	5,231	5,467	5,316	8,423	5,943	1,990	1,293
Total	7,864	6,296	7,464	8,033	11,079	8,240	2,429	1,995
Value ($*1,000*)[2]								
Imports from Korea[1]	90	83	73	52	38	368	57	0
Imports from Taiwan[1]	5,040	2,017	3,847	5,280	7,263	6,486	1,297	1,785
All other sources	15,272	14,157	13,772	13,968	27,075	21,679	7,018	4,904
Total	20,402	16,258	17,692	19,300	34,376	28,534	8,372	6,689
Unit value (*per short ton*)								
Imports from Korea[1]	$2,574	$1,625	$2,036	$3,051	$1,260	$4,283	$4,576	(3)
Imports from Taiwan[1]	2,097	1,989	1,962	1,956	2,766	2,933	3,037	$2,544
All other sources	2,815	2,707	2,519	2,627	3,214	3,648	3,527	3,792
Average	2,594	2,582	2,370	2,403	3,103	3,463	3,447	3,353
Share of quantity (*percent*)								
Imports from Korea[1]	0.4	0.8	0.5	0.2	0.3	1.0	0.5	0.0
Imports from Taiwan[1]	30.6	16.1	26.3	33.6	23.7	26.8	17.6	35.2
All other sources	69.0	83.1	73.2	66.2	76.0	72.1	81.9	64.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Share of value (*percent*)								
Imports from Korea[1]	0.4	0.5	0.4	0.3	0.1	1.3	0.7	0.0
Imports from Taiwan[1]	24.7	12.4	21.7	27.4	21.1	22.7	15.5	26.7
All other sources	74.9	87.1	77.8	72.4	78.8	76.0	83.8	73.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table continued on next page. Footnotes at end of table.

Table IV-2--*Continued*
Other WSS pipes and pressure tubes: U.S. imports, by sources, 2000-05, January-March 2005, and January-March 2006

Item	Calendar year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
	Ratio of import quantity to U.S. production (*percent*)							
Imports from Korea[1]	0.1	0.2	0.1	0.1	0.1	0.3	0.2	0.0
Imports from Taiwan[1]	9.1	4.2	6.8	9.6	9.1	7.2	5.2	9.2
All other sources	20.6	21.6	18.9	18.9	29.0	19.4	24.4	17.0
Total	29.9	26.0	25.9	28.6	38.2	26.8	29.7	26.2

[1] Nonsubject merchandise.
[2] Landed, duty-paid.
[3] Not applicable.

Note.--Because of rounding, figures may not add to totals shown.

Source: Import data compiled from official Commerce statistics for HTS statistical reporting numbers 7306.40.5042, 7306.40.5044, 7306.40.5080, and 7306.40.5090.

Table IV-3
WSS pipes and pressure tubes[1]: U.S. imports, by sources, 2000-05, January-March 2005, and January-March 2006

Item	Calendar year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
Quantity (*short tons*)								
Imports from Korea (subject)	2,403	2,938	3,259	4,549	5,708	5,716	977	745
Imports from Taiwan (subject)	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Imports from Taiwan (nonsubject)[2]	***	***	***	***	***	***	***	***
All other sources[3]	20,763	15,715	18,150	22,171	31,127	34,134	8,058	8,264
Total	37,302	28,719	30,519	37,802	46,674	46,696	11,329	11,810
Value ($*1,000*)[4]								
Imports from Korea (subject)	5,181	5,427	6,212	8,550	14,491	17,577	2,768	2,223
Imports from Taiwan (subject)	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Imports from Taiwan (nonsubject)[2]	***	***	***	***	***	***	***	***
All other sources[3]	65,225	54,614	54,439	61,466	106,866	135,068	30,658	30,161
Total	106,882	80,445	78,938	93,872	154,190	190,304	42,570	40,869
Unit value (*per short ton*)								
Imports from Korea (subject)	$2,156	$1,847	$1,906	$1,879	$2,539	$3,075	$2,832	$2,984
Imports from Taiwan (subject)	***	***	***	***	***	***	***	***
Average	***	***	***	***	***	***	***	***
Imports from Taiwan (nonsubject)[2]	***	***	***	***	***	***	***	***
All other sources[3]	3,141	3,475	2,999	2,772	3,433	3,957	3,805	3,650
Average	2,865	2,801	2,587	2,483	3,304	3,829	3,758	3,460

Table continued on next page. Footnotes at end of table.

Table IV-3--*Continued*
WSS pipes and pressure tubes[1]: U.S. imports, by sources, 2000-05, January-March 2005, and January-March 2006

Item	Calendar year						January-March	
	2000	2001	2002	2003	2004	2005	2005	2006
					Share of quantity (*percent*)			
Imports from Korea (subject)	6.4	10.2	10.7	12.0	12.2	11.5	8.6	6.3
Imports from Taiwan (subject)	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Imports from Taiwan (nonsubject)[2]	***	***	***	***	***	***	***	***
All other sources[3]	55.7	54.7	59.5	58.7	66.7	68.7	71.1	70.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
					Share of value (*percent*)			
Imports from Korea (subject)	4.8	6.7	7.9	9.1	9.4	9.2	6.5	5.4
Imports from Taiwan (subject)	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Imports from Taiwan (nonsubject)[2]	***	***	***	***	***	***	***	***
All other sources[3]	61.0	67.9	69.0	65.5	69.3	71.0	72.0	73.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
					Ratio of import quantity to U.S. production (*percent*)			
Imports from Korea (subject)	3.1	4.6	4.3	6.5	8.2	9.1	6.2	4.3
Imports from Taiwan (subject)	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Imports from Taiwan (nonsubject)[2]	***	***	***	***	***	***	***	***
All other sources[3]	27.2	24.4	24.1	31.6	44.9	54.2	50.7	47.1
Total	48.8	44.5	40.5	53.8	67.4	79.0	71.3	67.4

[1] Includes subject and nonsubject merchandise.
[2] Nonsubject imports (included in subject HTS subheading) from Taiwan are from Chang Mien and Ta Chen.
[3] All imports derived from nonsubject HTS statistical reporting numbers (including imports from Korea and Taiwan) are included in this line.
[4] Landed, duty-paid.

Note.--Because of rounding, figures may not add to totals shown. All other imports include imports of A-312 pipes from all other sources and imports of other welded pipes/pressure tubes from all sources.

Source: Import data compiled from official Commerce statistics for HTS subheading 7306.40.50; Taiwan (nonsubject) data compiled from proprietary Customs data.

As shown in tables IV-1 and IV-3, subject imports of welded A-312 pipes from Korea increased steadily throughout 2000-05, more than doubling between 2000 and 2005. Subject imports from Taiwan declined during 2000-02, and then remained fairly steady from 2002-05, decreasing overall by more than *** in terms of quantity.[4] Total imports of WSS pipes and pressure tubes[5] generally, and welded A-312 pipes specifically, decreased initially from 2000-01, but increased substantially thereafter, principally owing to increased imports of welded A-312 pipes from China. The following tabulation shows import quantities (in short tons) of WSS pipes and pressure tubes from China for the period 2000-05.[6]

Item	2000	2001	2002	2003	2004	2005
Welded A-312 pipes	175	475	1,922	3,320	7,292	14,096
Other WSS pipes and pressure tubes[7]	43	0	128	607	3,163	1,664
WSS pipes and pressure tubes	218	475	2,050	3,927	10,455	15,760

The unit values of U.S. imports of WSS pipes and pressure tubes[8] increased markedly during the last two years of the period for which data were collected, similar to, but to a lesser degree than, the increases seen in the unit values of U.S. producers' U.S. shipments of WSS pipes and pressure tubes. Unit values of WSS pipes and pressure tubes increased from $2,865 per short ton in 2000 to $3,829 per short ton in 2005, or by 33.6 percent. During the same time frame, unit values of welded A-312 pipes increased from $2,938 per short ton in 2000 to $3,902 per short ton in 2005, or by 32.8 percent.

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[4] In assessing whether subject imports are likely to compete with each other and with the domestic like product with respect to cumulation, the Commission considers the following four factors: (1) the degree of fungibility, including specific customer requirements and other quality-related questions; (2) presence of sales or offers to sell in the same geographic markets; (3) common channels of distribution; and (4) simultaneous presence in the market. Fungibility (interchangeability), geographic markets, and channels of distribution are discussed in Parts I and II of this report. Additional information concerning simultaneous presence in the market is presented in Part IV, based on annual import volumes. Part IV also presents official import statistics to illustrate the degree of overlap between monthly entries and ports of entry for imports of welded A-312 pipes from Korea and Taiwan.

An examination of monthly import statistics for Korea indicates a consistent pattern of shipments on a monthly basis, with several months of markedly lower import quantities occurring on an irregular basis once or twice annually. An examination of monthly import statistics for Taiwan indicates a similar pattern of shipments to those of Korea, although the fluctuations in import quantities are of a lesser size. Between 2000 and 2005, exports from both Korea and Taiwan entered in 72 of 72 months.

The quantity of subject imports from Korea through certain ports of entry remained stable during 2000-05, with the exception of an increase for imports through Houston-Galveston, from 220 short tons in 2000 to 3,187 short tons in 2005. Major ports of entry for imports from Korea in 2005, in decreasing order of quantity, were Houston-Galveston, Los Angeles, and New Orleans.

The quantity of subject imports from Taiwan through certain ports of entry remained stable during 2000-05, with no major changes in the pattern of import ports of entry. Major ports of entry for imports from Taiwan in 2005, in decreasing order of quantity, were Houston-Galveston, Los Angeles, Chicago, and Savannah.

All data referenced in this footnote are compiled from official Commerce statistics.

[5] Total imports of WSS pipes and pressure tubes includes subject and nonsubject merchandise.

[6] Compiled from official Commerce statistics.

[7] Nonsubject merchandise.

[8] U.S. imports of WSS pipes and pressure tubes includes subject and nonsubject merchandise.

U.S. IMPORTERS' INVENTORIES

The Commission requested data on inventories of welded A-312 pipes, as well as other WSS pipes and pressure tubes (nonsubject merchandise), held by U.S. importers in the United States. No U.S. importers reported holding any inventories of A-312 pipes from Korea or Taiwan. Inventories of imports from nonsubject countries, however, were reported for 2003, 2004, and 2005. These inventories increased from 649 short tons in December 2003 to 1,134 short tons in December 2004, but then decreased to 932 short tons in December 2005. There were no inventories of A-312 pipes reported for March 2006.[9]

THE FOREIGN INDUSTRIES

Korea

In the original investigations, counsel for three Korean producers, Lucky Metals, Pusan Pipe (now SeAH), and Sammi Metal Products Co., stated that these firms accounted for approximately 95 percent of both Korean production of welded A-312 pipes and exports of welded A-312 pipes to the United States.[10] At that time, there was substantial excess capacity in the Korean pipe and tube industry.[11]

During the first reviews, the foreign producers' questionnaire responses provided a fairly complete characterization of the Korean WSS pipe and tube industry.[12] During the previous reviews, there were a number of changes noted in the Korean industry.[13] During the current reviews, questionnaires were sent to four Korean companies believed to be actively producing subject welded A-312 pipes, Boorim Corp. ("Boorim"), Changwon Specialty Steel (previously known as Sungwon Pipe Co., Ltd.) ("Changwon"), Hyundai Hysco (formerly known as Hyundai Pipe Co., Ltd.) ("Hyundai"), and SeAH.[14] There were no

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[9] Imports of other WSS pipes and pressure tubes (nonsubject merchandise) were reported to be far smaller than imports of A-312 pipes. There were no inventories of such imports reported by any importer throughout the period for which data were collected.

[10] Report to the Commission on Investigations Nos. 731-TA-540-541 (Final), p. I-40 (citing conference transcript, p. 113.)

[11] Report to the Commission on Investigations Nos. 731-TA-540-541 (Final), p. I-43.

[12] Report to the Commission on Investigations Nos. 731-TA-540-541 (Review), pp. IV-4-5 (citing questionnaire responses from the Korea Iron and Steel Association (KOSA); Hyundai Pipe Co., Ltd. (Hyundai); LG Industrial Systems Co., Ltd. (LG Industrial); and SeAH Steel Corp. (SeAH)). According to KOSA, there were four firms in Korea (in 1999) that produced A-312 WSS pipes solely for the domestic market and five firms that exported all or a portion of their production to markets outside of Korea. The top five producing firms in Korea were reported to include ***.

Based on data supplied in questionnaire responses, most production of welded A-312 pipes in Korea is represented by three firms, ***. Of the seven firms for which questionnaire information was provided, only two (***) reported exports of A-312 pipe to the United States. The industry in Korea exported *** percent of its total shipments over the period for which information was requested.

[13] On January 3, 1995 Pusan Steel Pipe Co., Ltd. ("Pusan"), acquired the productive assets of Sammi Metal Products, Inc. ("Sammi"), located in Changwon, and subsequently changed its name to SeAH Steel Corp. As of 1991, the combined production of Pusan and Sammi accounted for *** percent of Korean production and also *** percent of Korean exports to the United States. In 1994, Sammi ceased production of WSS pipes and pressure tubes, prior to its sale to Pusan. Pusan consolidated its production of WSS pipes and pressure tubes in a refurbished Changwon facility, shutting down its former plant in Seoul. *See* confidential final report (INV-X-182, December 3, 1992), p. I-40.

[14] Several unsuccessful attempts were made to send a questionnaire and subsequently contact LG Metals Corporation (formerly Lucky Metals and LG Industrial Systems), reported to be a producer of WSS pipes and pressure tubes in both the original investigations and the first reviews.

responses from Korean firms to the foreign producer's questionnaire. However, one of these firms, ***, responded to the importer's questionnaire.

Taiwan

In the original investigations, four firms, Ta Chen Stainless Pipe Co., Ltd. ("Ta Chen"), Chang Tieh Industry Co., Ltd. (now Chang Mien Industries ("Chang Mien")), Jaung Yaunn Enterprise Co., Ltd. ("Jaung Yaunn," now Froch Enterprise Co., Ltd. ("Froch")), and Yeun Chyang Industrial Co., Ltd. ("Yeun Chyang"), accounted for approximately *** of both Taiwan production and Taiwan exports of welded A-312 pipes to the United States.[15]

During the first reviews, only one Taiwan firm, Jaung Yaunn, provided a limited response to the Commission's questionnaire, indicating that at that time there were *** firms capable of producing welded A-312 pipe in Taiwan.[16]

The Commission sent foreign producer questionnaires to five firms in Taiwan identified as possible producers of welded A-312 pipe, Ever Lasting Stainless Steel Industrial Co., Ltd. ("Ever Lasting"), Froch; Haitima Corporation ("Haitima"); Ta Chen; and Yeun Chyang. Haitima responded that it had not produced or exported welded A-312 pipes since January 1, 2000. Ever Lasting, Froch, and Ta Chen did not respond to the Commission's questionnaire. Yeun Chyang, however, responded to the Commission's questionnaire with a substantial amount of information. Yeun Chyang listed *** firms in Taiwan that, in addition to itself, are producers of A-312 pipes, ***.[17] No mention was made of *** from the antidumping duties assessed against Taiwan.[18]

Table IV-4 presents the leading identified Korean and Taiwan producers of welded A-312 pipes, their locations, and their shares of production.

[15] Report to the Commission on Investigations Nos. 731-TA-540-541 (Final), p. I-43.

[16] Report to the Commission on Investigations Nos. 731-TA-540-541 (Review), pp. IV-5 and IV-7.

[17] Yeun Chyang's foreign producer questionnaire, section III-21.

[18] Ibid.

Table IV-4
Welded A-312 pipes: Korean and Taiwan producers, their locations, and their shares of production in 2005

Country and firm	Location	Share of 2005 production *(percent)*
Korea:		
Hyundai Hysco [1]	Seoul, Korea[2]	([3])
LS Industrial Systems Co., Ltd. [4]	Seoul, Korea	([3])
SeAH	Seoul, Korea	([3])
Taiwan (subject):		
Ching Chann	Lukang Town, Chang-Hua, Taiwan	([3])
Ever Lasting	Taichung City, Taiwan	([3])
Froch	Tou-Liu City, Yun Lin, Taiwan	([3])
Yeun Chyang	Shijou Shiang, Chang-Hua, Taiwan	*** [5]
Taiwan (nonsubject):		
Chang Mien	Taipei, Taiwan	([3])
Ta Chen	Taipei, Taiwan[6]	([3])

[1] Formerly known as Hyundai Pipe Co., Ltd.
[2] While Seoul houses the corporate offices, Hyundai operates steel mills in Ulsan, Dangjin County, and Suncheon, Korea.
[3] Not available.
[4] Formerly known as LG Industrial Systems.
[5] Share is of production of A-312 pipes in Taiwan as estimated by Yeun Chyang.
[6] While its corporate and sales offices are located in Taipei, Ta Chen operates manufacturing plants in Nantou and Tainan, Taiwan.

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

Capacity, Production, Capacity Utilization, Shipments, and Inventories in Taiwan

All data contained in this section are derived from one questionnaire response (Yeun Chyang). Yeun Chyang provided data for 2002 onward. According to the company, which accounts for an estimated *** percent of welded A-312 pipe production in Taiwan, its capacity for welded A-312 pipes increased by *** between 2002 and 2005, and continued to increase into 2006. Production increased as well, and capacity utilization approached *** percent by the end of the period for which data were collected. The company reported owning *** A-312 pipe production lines and indicated that "***." Yeun Chyang reported planning ***.[19] In addition, the company is planning ***.[20]

Table IV-5 contains Taiwan producer Yeun Chyang's reported production capacity, production, shipments, and inventories for 2002-05, January-March 2005, January-March 2006, and projected 2006. Approximately *** percent of Yeun Chyang's total sales in its most recent fiscal year were of welded A-312 pipes. The company manufactures other products on the same equipment used to produce welded A-312 pipes, namely ***, and additional products with the same employees, namely ***. The company indicated that it ***.[21]

[19] Yeun Chyang foreign producer questionnaire, sections I-5, II-2, and II-17.

[20] Yeun Chyang foreign producer questionnaire, sections I-5 and I-6.

[21] Yeun Chyang foreign producer questionnaire, sections II-7, II-10, and II-11.

Table IV-5
Welded A-312 pipes: Yeun Chyang's reported production capacity, production, shipments, and inventories, 2002-05, January-March 2005, January-March 2006, and projected 2006

* * * * * * *

Table IV-5--*Continued*
Welded A-312 pipes: Yeun Chyang's reported production capacity, production, shipments, and inventories, 2002-05, January-March 2005, January-March 2006, and projected 2006

*** * * * * * ***

The *** of Yeun Chyang's reported sales throughout the period for which it reported data were to export markets. The company reported export markets in ***. The company reported trade barriers in ***. Yeun Chyang reported no exports to the United States, but indicated that it would "***" if the subject order were revoked.[22]

Antidumping or Countervailing Duty Findings or Remedies in Any Other Countries

At the time of the original investigations and the first reviews, stainless steel welded pipe from Taiwan produced to ASTM A-312 or equivalent specifications (in diameters of 1/8 inch through 6 inches) was subject to an antidumping duty in Canada. This duty remained in effect from September 1991 through September 2001 when, absent a request for continuation, it was permitted to expire.[23]

Prior to the first review, South Africa imposed antidumping duties on welded stainless tubes and pipes from Taiwan and Korea (as well as Malaysia). These antidumping duties were imposed on June 18, 1999, retroactive to December 18, 1998.[24] These orders were subsequently revoked in 2004.[25]

On June 10, 2005, the International Trade Administration Commission (ITAC) of South Africa initiated an investigation concerning alleged dumping in the SACU (Southern Africa Customs Union) market of certain welded stainless steel tubes and pipes from China, India, Malaysia, and Taiwan.[26] Provisional payments in relation to the antidumping duty were imposed against China, India, and Malaysia.[27] The investigation with respect to Taiwan was terminated effective March 10, 2006.[28] Finally, as discussed above, Taiwan producer Yeun Chyang identified an ongoing investigation, including welded A-312 pipes from Taiwan, in Brazil.

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[22] Yeun Chyang foreign producer questionnaire, sections II-12 through II-16.

Taiwan's exports of welded A-312 pipes to countries other than the United States currently are assessed duties as follows:

Country	Year imposed	Duty assessed
Mexico	2001	***
South Africa	1998	***
Argentina	2003	*** per kg

[23] *Certain Welded Stainless Steel Pipes from the Republic of Korea and Taiwan, Investigations Nos. 731-TA-540-541 (Final),* USITC Publication 2585, December 1992, p. I-29. *See also* the Canadian International Trade Tribunal's *Notice of Expiry - Certain Stainless Steel Welded Pipe Originating in or Exported from Chinese Taipei*, Expiry No. LE-2000-003, December 29, 2000.

[24] *Government Gazette (South Africa) No. 20226,* June 18, 1999, pp. 6-7.

[25] International Trade Administration Commission of South Africa, ITAC Report No. 58, May 27, 2004.

[26] *Government Gazette (South Africa) No. 27641,* June 10, 2005, pp. 42-48.

[27] *Government Notice,* South African Revenue Service, No. R. 936, September 23, 2005.

[28] *Government Gazette (South Africa) No. 28614,* March 10, 2006, pp. 3-4.

GLOBAL MARKET

Supply

Stainless steel pipes and tubes are produced throughout the world, with major industries in Europe and in Asia. Marcegaglia, with operations in both Italy and the United States, is understood to be the largest producer in the world, at around 140,000 metric tons per year.[29] Six European countries (Italy, Germany, Switzerland, Sweden, France, and Finland), three Asian countries (Taiwan, China, and Korea), and the United States were the top 10 exporters of all forms of welded stainless steel pipe and tube and accounted for more than 80 percent (by quantity) of exports reported by all countries in 2005.[30]

Global trade in welded stainless steel pipes and tubes, of all grades, totaled 732,000 metric tons in 2005. Excluding intra-European Union trade reduced the total to 392,000 metric tons. Taiwan was the leading export source, with total reported exports of 93,000 metric tons, 24 percent of the total. Taiwan's exports to the United States were 19,000 metric tons, and its remaining exports were widely distributed, with major exports to other Asian markets, particularly to China, as well as Australia, Canada, the Middle East, and Latin America.

Korea's exports totaled 24,000 metric tons in 2005, of which 10,000 metric tons were to the United States. The remainder was primarily to China and other Asian markets.

China has become the second leading exporter of stainless steel pipes and tubes in the world, as its exports have increased from 4,000 metric tons in 2000 to 45,000 metric tons in 2005. One-third of China's exports (15,000 metric tons) were to the United States, and the remainder to other markets, primarily in Asia.

Demand

The global market for welded stainless steel pipes and tubes of all types is believed to be around 3 million metric tons.[31] According to recent comments by a well-known consulting and advisory firm, global demand for stainless steel tubes (which includes all grades and sizes of welded stainless steel pipes and tubes) is firm. In Europe, demand is reportedly good, particularly in the energy sector for refineries and in boiler tube applications. Demand is increasing for boiler tube applications in emerging markets, such as China and India as well. Earlier, the same firm had reported that demand for stainless steel welded tubes was especially strong, particularly in China due to growing energy demands in that country.[32]

Prices

Producers and importers were asked to compare market prices of welded stainless steel pipes and pressure tubes in U.S. and non-U.S. markets. Among the producers that responded to this question, *** replied, “For commodity based welded pipe, prices in Asia are lower than elsewhere in the world. In fact, imports from Korea/Taiwan/China are being sold in the United States at or below our variable costs currently.” *** noted that imports in ½" diameter - 8" diameter are generally 15-25 percent lower in price. *** reported, “Pricing is lower overseas due to lower raw material costs internationally. Protected domestic strip sources have high prices.” *** disagreed, stating, “Generally pricing in U.S. markets and non-U.S. markets appear to be similar.” Bristol further notes that pricing in Asia and the Middle East is

[29] Metal Bulletin Research, *Welded Steel Tube & Pipe Monthly Report*, June 2006, p. 11.

[30] World Trade Atlas.

[31] Metal Bulletin Research, *Welded Steel Tube & Pipe Monthly Report*, June 2006, p. 11.

[32] Metal Bulletin Research, *Welded Steel Tube & Pipe Monthly Report*, April 2006, p. 11.

approximately 15-30 percent lower than prices in the U.S. market, and prices in Europe are about the same as U.S. prices.[33]

Among the importers who responded, *** stated, "Prices are essentially the same in both Canada and the United States."[34] One other importer, ***, stated that prices were up in all markets.[35] *** importers stated that they did not sell their products outside of the U.S. domestic market, and had no knowledge of differences in price.

[33] Domestic Interested Parties' posthearing brief, p. A-8.

[34] ***

[35] ***

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Materials and Energy

According to producer questionnaire responses, raw material costs have risen since 2000 so that they accounted for more than 70 percent of the cost of production of WSS pipes and pressure tubes in 2005. Flat-rolled stainless steel is the primary raw material. As shown in figure V-1, the price of grade AISI 304 stainless steel sheet was 15.3 percent higher in March 2006 than in January 2000, having increased by 58 percent from March 2003 to March 2006.[1] The increase in stainless steel sheet prices reflects the rising costs of raw materials such as iron scrap, chromium, molybdenum, manganese, and nickel. The latter element is especially important for the nickel-rich stainless steel grades 304 and 316 used to make WSS pipes and pressure tubes.[2] As shown in figure V-2, nickel prices increased by 79 percent from January 2000 to March 2006.[3] As a result of rising costs, many stainless steel sheet producers instituted raw material, energy, and fuel surcharges.[4] These surcharges are then passed along by the producers of welded stainless steel pipes and pressure tubes. According to hearing testimony, surcharges can account for as much as 50 percent of the final price of WSS pipes and pressure tubes.[5] Energy inputs used in the production of WSS pipes and pressure tubes include natural gas and electricity. As shown in table V-1, the costs of both natural gas and electricity have increased since 2000 with natural gas prices rising by 113 percent and electricity prices rising by 24 percent from 2000 to January-March 2006.

[1] Welded A-312 pipes are normally manufactured from hot-rolled stainless steel sheet while pressure tubes are normally manufactured from cold-rolled stainless steel sheet. Prices of hot-rolled and cold-rolled sheet generally move together. Since data on the price of hot-rolled sheet are not available, cold-rolled sheet prices are presented to show the trend in prices. Welded A-312 pipes are normally made from grade AISI 304 or AISI 316 stainless steel. Comparable public price data for grade AISI 316 are not available.

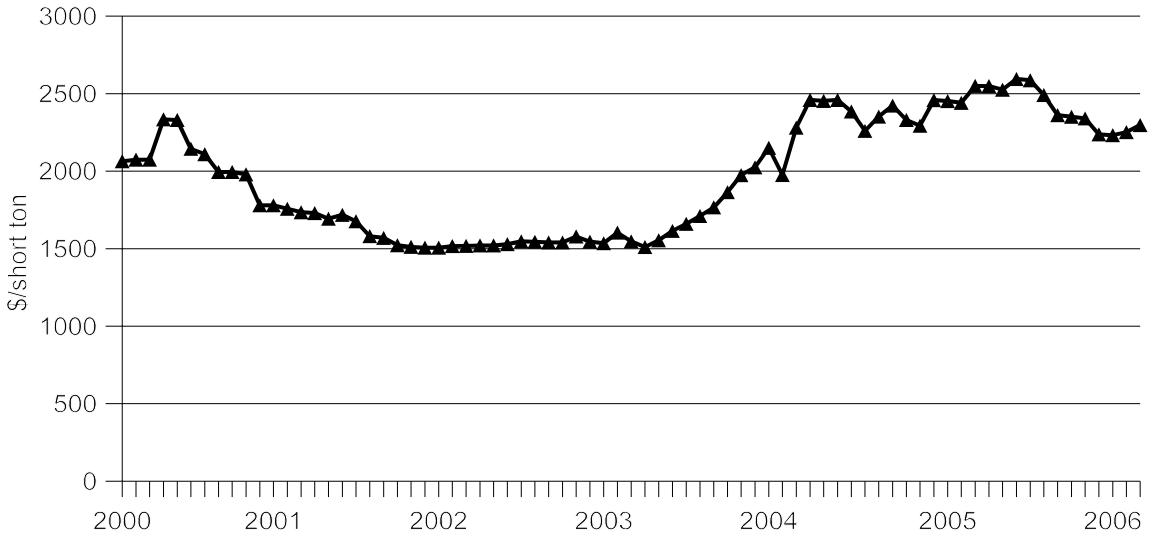
[2] *See Stainless Steel Sheet and Strip from France, Germany, Italy, Japan, Korea, Mexico, Taiwan, and the United Kingdom, Inv. Nos. 701-TA-381-382 and 731-TA-797-804 (Review),* USITC Publication 3788, July 2005, pp. V-1 to V-3.

[3] Rising demand for stainless steel worldwide reportedly is continuing to cause nickel prices to increase. *See* "Nickel Premiums up as LME price jumps, stainless demand grows," in American Metal Market, July 7, 2006, retrieved from http://amm.com/2006-07-06__20-17-27.html on July 10, 2006.

[4] Correspondence with ***, June 27, 2006.

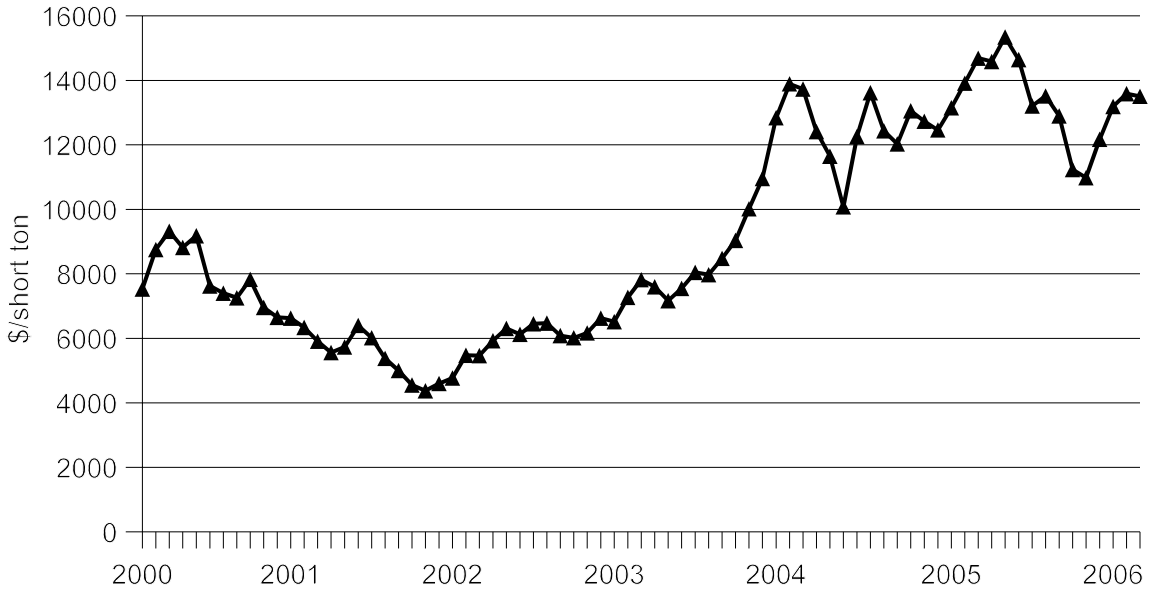
[5] Hearing transcript, p. 61 (Schagrin).

Figure V-1
Cold-rolled stainless steel sheet: Monthly prices of grade AISI 304, January 2000-March 2006



Source: Compiled by USITC staff from Purchasing Magazine's *Steel Price Transaction Report*.

Figure V-2
Nickel: LME AM monthly spot bid prices, January 2000-March 2006



Source: Compiled by USITC staff from statistics of American Metal Market.

Table V-1
U.S. natural gas and electricity prices for industrial customers, 2000-05 and January-March 2006

Item	2000	2001	2002	2003	2004	2005	Jan.-Mar. 2006
U.S. natural gas industrial price[1]	$4.45	$5.24	$4.02	$5.89	$6.56	$8.48	$9.48
Electricity industrial price[2]	4.64¢	4.98¢	4.91¢	5.12¢	5.27¢	5.57¢	5.76¢

[1] In dollars per thousand cubic feet.
[2] In cents per kilowatt-hour.

Sources: U.S. Energy Information Administration, http://www.eia.doe.gov.

Transportation Costs to the U.S. Market

Transportation costs for welded A-312 pipes from subject countries to the United States (excluding U.S. inland costs) in 2005 are estimated to be equivalent to approximately 2.6 percent of the customs value for product from Korea and 3.6 percent of the customs value for product from Taiwan. Both of these numbers are down from 4.8 percent and 5.9 percent, respectively, in 2003. These estimates are derived from official import data and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with customs value.[6]

U.S. Inland Transportation Costs

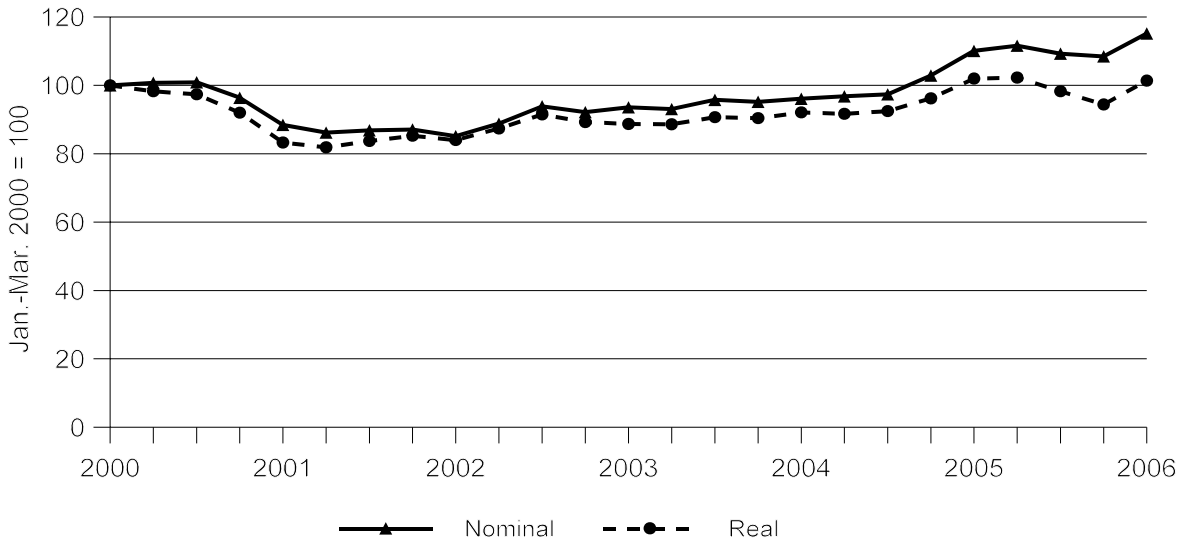
U.S. inland transportation costs for certain WSS pipes and pressure tubes ranged between 1 and 5 percent for U.S.-produced WSS pipes and pressure tubes and between 1.5 and 20 percent for imports of WSS pipes and pressure tubes, with five of six responding importers reporting U.S. inland transportation costs of less than 5 percent. Ten of 11 responding U.S. producers and four of six importers reported that they normally arrange for inland transportation. Nine of ten responding U.S. producers reported that less than 10 percent of sales were shipped under 100 miles from their facilities, while three of four responding importers reported that less than 25 percent of their shipments were within 100 miles. Nine of ten responding U.S. producers and three of the four responding importers reported that at least 50 percent of their sales were shipped between 101 and 1,000 miles to their customers. All ten responding U.S. producers and three of four importers reported having at least some sales shipped more than 1,000 miles, with seven of those ten producers reporting more than 20 percent of sales shipped more than 1,000 miles, and all three of those importers reporting less than 25 percent of sales shipped more than 1,000 miles.

[6] These estimates are based on HTS statistical reporting numbers 7306.40.5005, 7306.40.5015, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085.

Exchange Rates

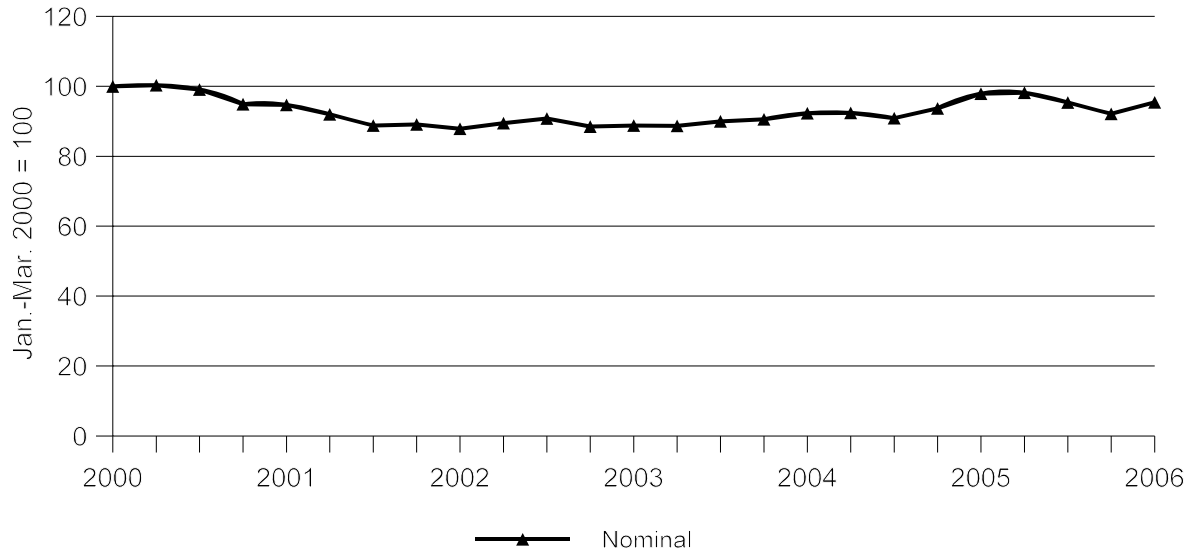
Figures V-3 and V-4 show the quarterly exchange rates for Korea and Taiwan during 2000-05 and January-March 2006. On a nominal basis, both currencies depreciated during 2000 and 2001 and have generally appreciated since then. Overall, the Korean won appreciated by 15.2 percent between January-March 2000 and January-March 2006 while the Taiwan dollar depreciated by 4.6 percent on a nominal basis. On a real basis, the exchange rate for the Korean won exhibited a trend similar to the nominal rate but appreciated by only 1.4 percent overall from January-March 2000 to January-March 2006. The real exchange rate is not available for the Taiwan dollar.

Figure V-3
Exchange rates: Indices of the nominal and real exchange rates of the Korean won relative to the U.S. dollar, by quarters, 2000-05 and January-March 2006



Source: International Monetary Fund, *International Financial Statistics*, retrieved from http://ifs.apdi.net/imf/about.asp on April 18, 2006.

Figure V-4
Exchange rates: Indices of the nominal exchange rates of the Taiwan dollar relative to the U.S. dollar, by quarters, 2000-05 and January-March 2006



Source: International Monetary Fund, *International Financial Statistics*, retrieved from http://ifs.apdi.net/imf/about.asp on May 15, 2006 and the Federal Reserve Bank of St. Louis, retrieved from http://research.stlouisfed.org/fred2/data/DEXTAUS.txt on April 18, 2006.

PRICING PRACTICES

Pricing Methods

Sales of WSS pipes and pressure tubes are made almost exclusively on a spot basis. Four of 11 responding U.S. producers reported that 100 percent of their sales are made on a spot basis while five more U.S. producers reported that at least 85 percent of their sales are made on a spot basis. One U.S. producer[7] reported that 95 percent of its sales were made on a short-term contract basis while another[8] made 60 percent of its sales on a short or long-term contract basis. *** responding importer, ***, reported making *** percent of its sales of welded A-312 pipes on a spot basis while *** responding importer, ***, reported that *** percent of its sales of welded A-312 pipes were on a spot basis, with the remainder on a short-term contract basis. The reported duration of short-term contracts ranged from one to 12 months while long-term contracts were reported to last one year or longer.

Prices are determined differently by different producers. Four of 11 responding U.S. producers reported that prices are determined on a transaction-by-transaction basis; three U.S. producers reported using a price list; and three reported using a cost-plus-markup method of pricing. The remaining U.S. producer reported using price lists for some sizes and a cost-plus-markup method for other sizes. The *** U.S. producers reported using a price list for some or all of their subject products. In contrast, five of six responding importers reported determining prices on a transaction-by-transaction basis with the sixth reporting that prices are determined by ***. Since 2004, raw material surcharges have accounted for a substantial portion of the final price of WSS pipes and pressure tubes across all suppliers. Over the past 12 months, energy and fuel (delivery) surcharges have also been added to the price of steel sheet and

[7] ***.

[8] ***.

passed on to the price of WSS pipe and tube.[9] According to testimony presented at the Commission's hearing, surcharges may have accounted for as much as 50 percent of the final price of WSS pipes and pressure tubes during 2004 and 2005.[10] In 2006, prices in the WSS pipe and tube industry are reportedly continuing to rise in order to keep pace with rising input costs.[11]

When asked to list the names of any firms they considered to be "price leaders" in the WSS pipe and pressure tube market since 2000, seven of ten responding purchasers listed Outokumpu as a price leader, six listed Bristol Pipe, five listed Marcegaglia, three mentioned Winner, and three mentioned Ta Chen. SeAH, Okaya, and Rath Gibson were each listed by one purchaser. Purchasers reported that these firms are the first to publish new price sheets and the first to react to changes in raw material costs.

Sales Terms and Discounts

Six of ten responding producers reported selling on an f.o.b. basis while four reported selling on a delivered basis. Two of the three importers that reported a basis for their sales reported that sales were made on an f.o.b. basis while the third reported that sales were made on "many" different bases. Six of 11 responding producers report some form of organized discount policy. Five of these six reported granting a quantity or annual volume discount. Four of six responding importers report having no set discount policy while one reported giving discounts for larger projects and another reported giving a minimal rebate to large customers.

PRICE DATA

The Commission requested U.S. producers and importers of A-312 pipes to provide quarterly data for the total quantity and f.o.b. value of specified A-312 pipes that were shipped to unrelated customers in the U.S. market.[12] Data were requested for the period January 2000 - March 2006. The products for which pricing data were requested are as follows:

Product 1.– ASTM A-312, welded, grade AISI 304/304L pipe, 1-inch schedule 40;

Product 2.– ASTM A-312, welded, grade AISI 304/304L pipe, 2-inch schedule 40;

Product 3.– ASTM A-312, welded, grade AISI 304/304L pipe, 0.5-inch schedule 10; and,

Product 4.– ASTM A-312, welded, grade AISI 316/316L pipe, 2-inch schedule 40.[13]

[9] Correspondence from ***, June 27, 2006.

[10] Hearing transcript, p. 61 (Schagrin).

[11] *See* "Dofasco unit ups stainless tube 6%," in American Metal Market, June 9, 2006, retrieved from http://amm.com/2006-06-08__13-45-34.html on June 10, 2006.

[12] Prices are inclusive of all surcharges.

[13] Grade AISI 316 stainless steel has corrosion resistance superior to that of grade AISI 304 (which is more widely used in the production of welded A-312 pipes). Grade AISI 316 also has higher strength at elevated temperatures than does AISI 304. These properties are due principally to the higher nickel content of AISI 316 as well as the addition of molybdenum to the steel. Iron & Steel Society, *Steel Products Manual: Stainless Steels*, 1999, pp. 86, 114.

Five U.S. producers and one importer of welded A-312 pipes from Korea provided usable pricing data for sales of the requested products. No responding importer reported pricing for any imports from Taiwan during the period for which data were collected. By quantity, pricing data reported by responding firms in January 2000 through March 2006 accounted for approximately 6.0 percent of U.S. producers' shipments of welded A-312 pipes and 21.7 percent of reported U.S. shipments of subject imports from Korea (based on questionnaire responses).

Price Trends

As can be seen in tables V-2 through V-5 and figures V-5 through V-8, weighted average prices for domestic products 1, 2, and 4 generally fell through early 2002 and rose thereafter through mid 2005, after which prices fell slightly. Overall, prices in January-March 2006 were 53.9 percent higher than prices in January-March 2000 for product 1, 56.9 percent higher for product 2, and 48.3 percent higher for product 4. Prices for product 3 rose by a more modest 9.3 percent between January-March 2000 and January-March 2006.

Data on prices of U.S. imports from Korea provided by one importer suggest that prices for all four imported products generally rose *** at the beginning of the period, fell through 2001 and into 2002, and rose thereafter. Overall, from January-March 2000 to January-March 2006, prices for products 1, 2, and 3 from Korea rose by *** percent, *** percent, and *** percent, respectively. Prices for product 4 rose by *** percent over the same period.

Table V-2
Welded A-312 pipes: Weighted-average f.o.b. prices and quantities of domestic and imported product 1[1] and margins of underselling/(overselling), by quarters, January 2000-March 2006

Period	United States		Korea			Taiwan		
	Price (*per 1,000 feet*)	Quantity (*1,000 feet*)	Price (*per 1,000 feet*)	Quantity (*1,000 feet*)	Margin (*percent*)	Price (*per 1,000 feet*)	Quantity (*1,000 feet*)	Margin (*percent*)
2000:								
Jan.-Mar.	$1,803.60	187	$***	***	***	--	--	--
Apr.-June	2,149.79	263	***	***	***	--	--	--
July-Sept.	2,223.28	177	***	***	***	--	--	--
Oct.-Dec.	2,196.01	122	***	***	***	--	--	--
2001:								
Jan.-Mar.	1,993.40	163	***	***	***	--	--	--
Apr.-June	1,907.80	153	***	***	***	--	--	--
July-Sept.	1,746.48	176	***	***	***	--	--	--
Oct.-Dec.	1,789.15	128	***	***	***	--	--	--
2002:								
Jan.-Mar.	1,449.64	111	***	***	***	--	--	--
Apr.-June	1,513.40	104	***	***	***	--	--	--
July-Sept.	1,870.18	133	***	***	***	--	--	--
Oct.-Dec.	***	***	***	***	***	--	--	--
2003:								
Jan.-Mar.	1,810.56	212	***	***	***	--	--	--
Apr.-June	1,953.42	137	***	***	***	--	--	--
July-Sept.	2,004.21	146	***	***	***	--	--	--
Oct.-Dec.	2,020.19	193	***	***	***	--	--	--
2004:								
Jan.-Mar.	2,467.98	175	***	***	***	--	--	--
Apr.-June	2,781.94	179	***	***	***	--	--	--
July-Sept.	***	***	***	***	***	--	--	--
Oct.-Dec.	2,781.60	136	***	***	***	--	--	--
2005:								
Jan.-Mar.	2,834.11	165	***	***	***	--	--	--
Apr.-June	3,067.66	90	***	***	***	--	--	--
July-Sept.	***	***	***	***	***	--	--	--
Oct.-Dec.	2,692.01	100	***	***	***	--	--	--
2006:								
Jan.-Mar.	2,775.46	130	***	***	***	--	--	--

[1] ASTM A-312, welded, grade AISI 304/304L pipe, 1-inch schedule 40.

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

Table V-3
Welded A-312 pipes: Weighted-average f.o.b. prices and quantities of domestic and imported product 2[1] and margins of underselling/(overselling), by quarters, January 2000-March 2006

Period	United States		Korea			Taiwan		
	Price (*per 1,000 feet*)	Quantity (*1,000 feet*)	Price (*per 1,000 feet*)	Quantity (*1,000 feet*)	Margin (*percent*)	Price (*per 1,000 feet*)	Quantity (*1,000 feet*)	Margin (*percent*)
2000:								
Jan.-Mar.	$3,345.33	242	$***	***	***	--	--	--
Apr.-June	4,014.66	204	***	***	***	--	--	--
July-Sept.	3,849.78	109	***	***	***	--	--	--
Oct.-Dec.	3,631.55	113	***	***	***	--	--	--
2001:								
Jan.-Mar.	3,301.70	161	***	***	***	--	--	--
Apr.-June	3,291.87	162	***	***	***	--	--	--
July-Sept.	3,096.09	195	***	***	***	--	--	--
Oct.-Dec.	2,883.42	145	***	***	***	--	--	--
2002:								
Jan.-Mar.	2,370.30	212	***	***	***	--	--	--
Apr.-June	2,608.56	162	***	***	***	--	--	--
July-Sept.	3,436.03	198	***	***	***	--	--	--
Oct.-Dec.	3,318.31	236	***	***	***	--	--	--
2003:								
Jan.-Mar.	3,435.65	192	***	***	***	--	--	--
Apr.-June	3,859.29	104	***	***	***	--	--	--
July-Sept.	3,866.31	129	***	***	***	--	--	--
Oct.-Dec.	3,838.58	178	***	***	***	--	--	--
2004:								
Jan.-Mar.	5,002.89	150	***	***	***	--	--	--
Apr.-June	5,987.75	118	***	***	***	--	--	--
July-Sept.	5,334.83	226	***	***	***	--	--	--
Oct.-Dec.	5,906.94	101	***	***	***	--	--	--
2005:								
Jan.-Mar.	5,749.20	150	***	***	***	--	--	--
Apr.-June	6,107.11	71	***	***	***	--	--	--
July-Sept.	5,570.92	75	***	***	***	--	--	--
Oct.-Dec.	5,364.61	101	***	***	***	--	--	--
2006:								
Jan.-Mar.	5,248.63	132	***	***	***	--	--	--

[1] ASTM A-312, welded, grade AISI 304/304L pipe, 2-inch schedule 40.

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

Table V-4
Welded A-312 pipes: Weighted-average f.o.b. prices and quantities of domestic and imported product 3[1] and margins of underselling/(overselling), by quarters, January 2000-March 2006

Period	United States		Korea			Taiwan		
	Price (*per 1,000 feet*)	Quantity (*1,000 feet*)	Price (*per 1,000 feet*)	Quantity (*1,000 feet*)	Margin (*percent*)	Price (*per 1,000 feet*)	Quantity (*1,000 feet*)	Margin (*percent*)
2000:								
Jan.-Mar.	$1,158.81	18	$***	***	***	--	--	--
Apr.-June	1,301.15	19	***	***	***	--	--	--
July-Sept.	1,483.72	37	***	***	***	--	--	--
Oct.-Dec.	1,113.51	14	***	***	***	--	--	--
2001:								
Jan.-Mar.	1,002.80	8	***	***	***	--	--	--
Apr.-June	888.35	13	***	***	***	--	--	--
July-Sept.	***	***	***	***	***	--	--	--
Oct.-Dec.	1,085.79	8	***	***	***	--	--	--
2002:								
Jan.-Mar.	1,045.35	17	***	***	***	--	--	--
Apr.-June	1,009.70	14	***	***	***	--	--	--
July-Sept.	984.53	6	***	***	***	--	--	--
Oct.-Dec.	983.28	14	***	***	***	--	--	--
2003:								
Jan.-Mar.	964.33	17	***	***	***	--	--	--
Apr.-June	1,197.68	7	***	***	***	--	--	--
July-Sept.	***	***	***	***	***	--	--	--
Oct.-Dec.	1,079.53	15	***	***	***	--	--	--
2004:								
Jan.-Mar.	1,143.01	13	***	***	***	--	--	--
Apr.-June	1,390.87	10	***	***	***	--	--	--
July-Sept.	***	***	***	***	***	--	--	--
Oct.-Dec.	***	***	***	***	***	--	--	--
2005:								
Jan.-Mar.	***	***	***	***	***	--	--	--
Apr.-June	1,517.70	6	***	***	***	--	--	--
July-Sept.	***	***	***	***	***	--	--	--
Oct.-Dec.	1,279.19	14	***	***	***	--	--	--
2006:								
Jan.-Mar.	1,267.07	10	***	***	***	--	--	--

[1] ASTM A-312, welded, grade AISI 304/304L pipe, 0.5-inch schedule 10.

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

Table V-5
Welded A-312 pipes: Weighted-average f.o.b. prices and quantities of domestic and imported product 4[1] and margins of underselling/(overselling), by quarters, January 2000-March 2006

Period	United States		Korea			Taiwan		
	Price (*per 1,000 feet*)	Quantity (*1,000 feet*)	Price (*per 1,000 feet*)	Quantity (*1,000 feet*)	Margin (*percent*)	Price (*per 1,000 feet*)	Quantity (*1,000 feet*)	Margin (*percent*)
2000:								
Jan.-Mar.	$5,737.60	139	$***	***	***	--	--	--
Apr.-June	6,393.75	73	***	***	***	--	--	--
July-Sept.	6,457.17	53	***	***	***	--	--	--
Oct.-Dec.	6,087.64	76	***	***	***	--	--	--
2001:								
Jan.-Mar.	5,544.64	106	***	***	***	--	--	--
Apr.-June	5,190.07	98	***	***	***	--	--	--
July-Sept.	4,880.40	72	***	***	***	--	--	--
Oct.-Dec.	4,796.35	69	***	***	***	--	--	--
2002:								
Jan.-Mar.	4,271.93	119	***	***	***	--	--	--
Apr.-June	4,407.29	90	***	***	***	--	--	--
July-Sept.	4,618.27	84	***	***	***	--	--	--
Oct.-Dec.	4,586.03	105	***	***	***	--	--	--
2003:								
Jan.-Mar.	4,904.00	86	***	***	***	--	--	--
Apr.-June	5,115.96	81	***	***	***	--	--	--
July-Sept.	5,473.96	66	***	***	***	--	--	--
Oct.-Dec.	5,423.54	104	***	***	***	--	--	--
2004:								
Jan.-Mar.	7,058.16	80	***	***	***	--	--	--
Apr.-June	8,187.15	58	***	***	***	--	--	--
July-Sept.	7,708.52	93	***	***	***	--	--	--
Oct.-Dec.	8,590.83	54	***	***	***	--	--	--
2005:								
Jan.-Mar.	9,510.83	53	***	***	***	--	--	--
Apr.-June	9,936.30	68	***	***	***	--	--	--
July-Sept.	9,653.01	51	***	***	***	--	--	--
Oct.-Dec.	9,261.32	44	***	***	***	--	--	--
2006:								
Jan.-Mar.	8,506.73	70	***	***	***	--	--	--

[1] ASTM A-312, welded, grade AISI 316/316L pipe, 2-inch schedule 40.

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

Figure V-5
Welded A-312 pipes: Weighted-average f.o.b. prices of domestic and imported product 1, by quarters, January 2000-March 2006

* * * * * * *

Figure V-6
Welded A-312 pipes: Weighted-average f.o.b. prices of domestic and imported product 2, by quarters, January 2000-March 2006

* * * * * * *

Figure V-7
Welded A-312 pipes: Weighted-average f.o.b. prices of domestic and imported product 3, by quarters, January 2000-March 2006

* * * * * * *

Figure V-8
Welded A-312 pipes: Weighted-average f.o.b. prices of domestic product 4, by quarters, January 2000-March 2006

* * * * * * *

Price Comparisons

Tables V-2 through V-5 and figures V-5 through V-8 present selling prices. The limited data on imports from Korea make comparisons difficult, and results vary widely across products. For product 1, imports from Korea undersold U.S.-produced product in all but 3 of the 25 quarters for which data were collected. Margins ranged from negative 5.1 percent to 29.6 percent. Margins in the most recent four quarters ranged from *** percent to *** percent. For product 2, imports from Korea undersold U.S.-produced product in all but 5 of the 25 quarters for which data were collected. Margins ranged from negative 27.4 percent to 31.1 percent. Margins in the most recent four quarters ranged from *** percent to *** percent. For product 3, imports from Korea undersold U.S.-produced product in all but 1 of the 25 quarters for which data were collected. For the quarters in which product imported from Korea undersold U.S. product, the margin ranged from 3.4 percent to 45.0 percent and was greater than 20 percent in 20 of the 25 quarters. Margins in the most recent four quarters were somewhat lower and ranged from *** percent to *** percent. Product 4 imported from Korea undersold U.S.-produced product in all 25 quarters for which data were collected. Margins ranged from 2.2 percent to 47.7 percent and were greater than *** percent over the most recent nine quarters of the period for which data were collected. Table V-6 presents a summary of margins of underselling and overselling.

Table V-6
Welded A-312 pipes: Instances of underselling/(overselling) and the range and average of margins for products 1-4, by sources, January 2000-March 2006

Country	Underselling			Overselling		
	Number of instances	Range *(percent)*	Average margin *(percent)*	Number of instances	Range *(percent)*	Average margin *(percent)*
Korea[1]	91	0.6 to 47.7	20.8	9	0.3 to 27.4	11.2
Taiwan[2]	--	--	--	--	--	--

[1] In the original investigations, the Korean product undersold the U.S. product in 34 of 36 instances and oversold the U.S. product in 2 instances. In the first reviews, the Korean product undersold the U.S. product in 50 of 52 instances and oversold the U.S. product in 2 instances.

[2] No data are available for period January 2000-March 2006. In the original investigations, the Taiwan product undersold the U.S. product in 34 of 40 instances and oversold the U.S. product in 6 instances. In the first reviews, no data were available for the Taiwan product.

Source: Compiled from data submitted in response to Commission questionnaires and from *Certain Welded Stainless Steel Pipes from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-540-541 (Final), December 1992 pp. I-60 and I-62, and *Certain Welded Stainless Steel Pipes from Korea and Taiwan*, Inv. Nos. 731-TA-540-541 (Review), August 2000 pp. V-5 to V-10.

APPENDIX A

FEDERAL REGISTER NOTICES AND STATEMENT ON ADEQUACY

Building. Further, in accordance with section 351.303(f)(l)(i) of the regulations, a copy of each request must be served on every party on the Department's service list.

The Department will publish in the **Federal Register** a notice of ''Initiation of Administrative Review of Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation'' for requests received by the last day of September 2005. If the Department does not receive, by the last day of September 2005, a request for review of entries covered by an order, finding, or suspended investigation listed in this notice and for the period identified above, the Department will instruct the U.S. Customs and Border Protection to assess antidumping or countervailing duties on those entries at a rate equal to the cash deposit of (or bond for) estimated antidumping or countervailing duties required on those entries at the time of entry, or withdrawal from warehouse, for consumption and to continue to collect the cash deposit previously ordered.

This notice is not required by statute but is published as a service to the international trading community.

Dated: August 23, 2005.

Holly A. Kuga,

Senior Office Director AD/CVD Operations, Office 4, for Import Administration.

[FR Doc. E5–4801 Filed 8–31–05; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

Initiation of Five-year (''Sunset'') Reviews

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

SUMMARY: In accordance with section 751(c) of the Tariff Act of 1930, as amended (''the Act''), the Department of Commerce (''the Department'') is automatically initiating five-year (''Sunset Reviews'') of the antidumping duty orders listed below. The International Trade Commission (''the Commission'') is publishing concurrently with this notice its notice of *Institution of Five-year Review* which covers these same orders.

EFFECTIVE DATE: September 1, 2005.

FOR FURTHER INFORMATION CONTACT: The Department official identified in the *Initiation of Review(s)* section below at AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th & Constitution Ave., NW, Washington, DC 20230. For information from the Commission contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205–3193.

SUPPLEMENTARY INFORMATION:

Background

The Department's procedures for the conduct of Sunset Reviews are set forth in 19 CFR 351.218. Guidance on methodological or analytical issues relevant to the Department's conduct of Sunset Reviews is set forth in the Department's Policy Bulletin 98.3 - *Policies Regarding the Conduct of Five-year (''Sunset'') Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) (''*Sunset Policy Bulletin*'').

Initiation of Reviews

In accordance with 19 CFR 351.218(c), we are initiating the Sunset Reviews of the following antidumping duty orders:

DOC Case No.	ITC Case No.	Country	Product	Department Contact
A–570–832	731–TA–696	PRC	Pure Magnesium (Ingot)	Maureen Flannery (202) 482–3020
A–580–810	731–TA–540	South Korea	Welded ASTM A–312 Stainless Steel Pipe	Dana Mermelstein (202) 482–1391
A–583–815	731–TA–541	Taiwan	Welded ASTM A–312 Stainless Steel Pipe	Dana Mermelstein (202) 482–1391

Filing Information

As a courtesy, we are making information related to Sunset proceedings, including copies of the Department's regulations regarding *Sunset Reviews* (19 CFR 351.218) and Sunset Policy Bulletin, the Department's schedule of Sunset Reviews, case history information (i.e., previous margins, duty absorption determinations, scope language, import volumes), and service lists available to the public on the Department's Sunset Review website at the following address: ''http://ia.ita.doc.gov/sunset/.'' All submissions in these sunset reviews must be filed in accordance with the Department's regulations regarding format, translation, service, and certification of documents. These rules can be found at 19 CFR 351.303.

Because deadlines in a Sunset Review can be very short, we urge interested parties to apply for access to proprietary information under administrative protective order (''APO'') immediately following publication in the **Federal Register** of the notice of initiation of the sunset review. The Department's regulations on submission of proprietary information and eligibility to receive access to business proprietary information under APO can be found at 19 CFR 351.304–306.

Information Required from Interested Parties

Domestic interested parties (defined in section 771(9)(C), (D), (E), (F), and (G) of the Act and 19 CFR 351.102(b)) wishing to participate in these sunset reviews must respond not later than 15 days after the date of publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The required contents of the notice of intent to participate are set forth at 19 CFR 351.218(d)(1)(ii). In accordance with the Department's regulations, if we do not receive a notice of intent to participate from at least one domestic interested party by the 15-day deadline, the Department will automatically revoke the orders without further review. *See* 19 CFR 351.218(d)(1)(iii).

If we receive an order–specific notice of intent to participate from a domestic interested party, the Department's regulations provide that *all parties* wishing to participate in the Sunset Review must file complete substantive responses not later than 30 days after the date of publication in the **Federal Register** of this notice of initiation. The required contents of a substantive response, on an order–specific basis, are set forth at 19 CFR 351.218(d)(3). Note that certain information requirements differ for respondent and domestic parties. Also, note that the Department's information requirements are distinct from the Commission's information requirements. Please consult the Department's regulations for information regarding the Department's conduct of Sunset Reviews.[1] Please

[1] In comments made on the interim final sunset regulations, a number of parties stated that the

consult the Department's regulations at 19 CFR Part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at the Department.

This notice of initiation is being published in accordance with section 751(c) of the Act and 19 CFR 351.218(c).

Dated: August 19, 2005.

Holly A. Kuga,

Senior Office Director AD/CVD Operations, Office 4 for Import Administration.

[FR Doc. E5–4800 Filed 8–31–05; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Advance Notification of Sunset Reviews

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

ACTION: Notice of Upcoming Sunset Reviews.

Background

Every five years, pursuant to section 751(c) of the Tariff Act of 1930, as amended, the Department of Commerce (''the Department'') and the International Trade Commission automatically initiate and conduct a review to determine whether revocation of a countervailing or antidumping duty order or termination of an investigation suspended under section 704 or 734 would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.

Upcoming Sunset Reviews for October 2005

The following Sunset Reviews are scheduled for initiation in October 2005 and will appear in that month's Notice of Initiation of Five-year Sunset Reviews.

Antidumping Duty Proceedings	Department Contact
Gray Portland Cement & Clinker from Japan (A–588–815)	Zev Primor (202) 482–4114
Gray Portland Cement & Clinker from Mexico (A–201–802)	Zev Primor (202) 482–4114
Countervailing Duty Proceedings	
No countervailing duty proceedings are scheduled for initiation in October 2005.	
Suspended Investigations	
No suspended investigations are scheduled for initiation in October 2005.	

The Department's procedures for the conduct of Sunset Reviews are set forth in 19 CFR 351.218. Guidance on methodological or analytical issues relevant to the Department's conduct of Sunset Reviews is set forth in the Department's Policy Bulletin 98.3--Policies Regarding the Conduct of Five-year (''Sunset'') Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin, 63 FR 18871 (April 16, 1998) (''Sunset Policy Bulletin''). The Notice of Initiation of Five-year (''Sunset'') Reviews provides further information regarding what is required of all parties to participate in Sunset Reviews.

Please note that if the Department receives a Notice of Intent to Participate from a member of the domestic industry within 15 days of the date of initiation, the review will continue. Thereafter, any interested party wishing to participate in the Sunset Review must provide substantive comments in response to the notice of initiation no later than 30 days after the date of initiation.

This notice is not required by statute but is published as a service to the international trading community.

Dated: August 19, 2005.

Holly A. Kuga,

Senior Office Director, AD/CVD Operations, Office 4 for Import Administration.

[FR Doc. E5–4802 Filed 8–31–05; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

Import Administration

[A–533–824]

Notice of Amended Final Determination in Accordance With Court Decision: Antidumping Duty Investigation of Polyethylene Terephthalate Film, Sheet, and Strip from India

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

SUMMARY: On May 12, 2005, the United States Court of Appeals for the Federal Circuit (CAFC) affirmed the decision of the Court of International Trade (CIT) to sustain the final remand determination of the Department of Commerce (the Department) in the antidumping duty (AD) investigation of polyethylene terephthalate film, sheet, and strip (PET film) from India. *See*, *Dupont Teijin Films USA, LP, et al, v. United States and Polyplex Corp. Ltd.*, Slip Op. 04–1548, (May 12, 2005), and the Department's Final Results of Redetermination Pursuant to Court Remand in Dupont Teijin Films USA, LP, *et al*, v. United States and Polyplex Corp. Ltd., Consol. Court No. 02–00463. As there is now a final and conclusive court decision in this case, the Department is amending the final determination of sales at less than fair value.

EFFECTIVE DATE: September 1, 2005.

FOR FURTHER INFORMATION CONTACT: Drew Jackson or Howard Smith at (202) 482–4406 or (202) 482–5193, respectively; AD/CVD Operations, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On May 16, 2002, the Department published in the **Federal Register** the *Notice of Final Determination of Sales at Less Than Fair Value: Polyethylene Terephthalate Film, Sheet, and Strip from India*, 67 Fed. Reg. 34899 (May 16, 2002) (*Final Determination*), covering

proposed five-day period for rebuttals to substantive responses to a notice of initiation was insufficient. This requirement was retained in the final sunset regulations at 19 CFR 351.218(d)(4). As provided in 19 CFR 351.302(b), however, the Department will consider individual requests for extension of that five-day deadline based upon a showing of good cause.

explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determination in the review.

Information To Be Provided in Response to This Notice of Institution: As used below, the term ''firm'' includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the *Domestic Like Product,* a U.S. union or worker group, a U.S. importer of the *Subject Merchandise,* a foreign producer or exporter of the *Subject Merchandise,* a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this review by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty order on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry.*

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product.* Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in the *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries after 1999.

(7) If you are a U.S. producer of the *Domestic Like Product,* provide the following information on your firm's operations on that product during calendar year 2004 (report quantity data in metric tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/ which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) The quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s); and

(c) The quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country,* provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in metric tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') imports;

(b) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of *Subject Merchandise* imported from the *Subject Country;* and

(c) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from the *Subject Country.*

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country,* provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in metric tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in the *Subject Country* accounted for by your firm's(s') production; and

(b) The quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Country* after 1999, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in the *Subject Country,* and such merchandise from other countries.

(11) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry;* if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Issued: August 29, 2005.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05–17441 Filed 8–31–05; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731–TA–540 and 541 (Second Review)]

Certain Welded Stainless Steel Pipe From Korea and Taiwan

AGENCY: United States International Trade Commission.

ACTION: Institution of five-year reviews concerning the antidumping duty orders on certain welded stainless steel pipe from Korea and Taiwan.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty orders on certain welded stainless steel pipe from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission; [1] to be assured of consideration, the deadline for responses is October 21, 2005. Comments on the adequacy of responses may be filed with the Commission by November 14, 2005. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: September 1, 2005.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server *(http://www.usitc.gov)*. The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION:

Background. On December 30, 1992, the Department of Commerce issued antidumping duty orders on imports of welded ASTM A–312 stainless steel pipe from Korea (57 FR 62301) and Taiwan (57 FR 62300). Following five-year reviews by Commerce and the Commission, effective October 16, 2000, Commerce issued a continuation of the antidumping duty orders on imports of certain welded stainless steel pipe from Korea and Taiwan (65 FR 61143). The Commission is now conducting second reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions. The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) The *Subject Countries* in these reviews are Korea and Taiwan.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise.* In its original determinations and full five-year review determinations, the Commission defined the *Domestic Like Product* as welded stainless steel pipes and pressure tubes, excluding grade 409 tubes and mechanical tubes (also known as ornamental tubes).

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product,* or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations and its full five-year review determinations, the Commission defined the *Domestic Industry* as producers of welded stainless steel pipes and pressure tubes, excluding grade 409 tubes and mechanical tubes (also known as ornamental tubes).

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the reviews and public service list. Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Former Commission employees who are seeking to appear in Commission five-year reviews are reminded that they are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to appear was pending in any manner or form during their Commission employment. The Commission is seeking guidance as to whether a second transition five-year review is the ''same particular matter'' as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek informal advice from Commission ethics officials with respect to this and the related issue of whether the employee's participation was ''personal and substantial.'' However, any informal consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202–205–3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list. Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification. Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other

[1] No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 05–5–139, expiration date June 30, 2008. Public reporting burden for the request is estimated to average 10 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions. Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is October 21, 2005. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is November 14, 2005. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

Inability to provide requested information. Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

Information to be provided in response to this notice of institution: If you are a domestic producer, union/worker group, or trade/business association; import/export *Subject Merchandise* from more than one *Subject Country*; or produce *Subject Merchandise* in more than one *Subject Country*, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country.* As used below, the term ''firm'' includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the *Domestic Like Product,* a U.S. union or worker group, a U.S. importer of the *Subject Merchandise,* a foreign producer or exporter of the *Subject Merchandise,* a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty orders on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry.*

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product.* Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in each *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries after 1999.

(7) If you are a U.S. producer of the *Domestic Like Product,* provide the following information on your firm's operations on that product during calendar year 2004 (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) The quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s); and

(c) The quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country(ies)*, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') imports;

(b) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of *Subject Merchandise* imported from each *Subject Country;* and

(c) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from each *Subject Country.*

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country(ies)*, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in each *Subject Country* accounted for by your firm's(s') production; and

(b) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in each *Subject Country* after 1999, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in each *Subject Country*, and such merchandise from other countries.

(11) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry;* if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Issued: August 29, 2005.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05–17440 Filed 8–31–05; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Notice of Lodging of Consent Decree Under the Comprehensive Environmental Response, Compensation and Liability Act (''CERCLA'')

Pursuant to Section 122(d)(2) of CERCLA, 42 U.S.C. 9622(d)(2), notice is hereby given that on August 17, 2005, a proposed Consent Decree in *United Stated* v. *Carrier Corporation,* CV 05–6022 ABC (RCx) (C.D. Cal.), was lodged with the United States District Court for the Central District of California.

The Consent Decree resolves claims against Carrier Corporation (''Carrier'') brought by the United States on behalf of the Environmental Protection Agency (''EPA'') under Sections 106 and 107 of the Comprehensive Environmental Response, Compensation, and Liability Act (''CERCLA''), 42 U.S.C. 9606 and 9607, and Section 7003 of the Resource Conservation and Recovery Act, as amended (''RCRA''), 42 U.S.C. 6973, for the performance of response actions and for the reimbursement of response costs incurred and to be incurred by EPA in connection with the release and threatened release of hazardous substances at the Puente Valley Operable Unit of the San Gabriel Valley Superfund Site, Area 4 (''Site'') in Los Angeles County, California.

Under the proposed Consent Decree, Carrier and its parent corporation, United Technologies Corporation (together, ''Settling Defendants''), will perform a portion of the interim remedy for the Site. Specifically, Settling Defendants will construct a shallow groundwater zone remediation system and operate that system for eight years once the system is operational and functional. In addition, Settling Defendants will reimburse the United States a portion of past response costs and pay future oversight costs incurred by EPA related to the work. Additionally, the Consent Decree requires payment of a civil penalty for noncompliance with an EPA cleanup order issued to Carrier, performance of a supplemental environmental project in further mitigation of that penalty, and monitoring of upgradient contamination for a period of eight years.

The Department of Justice will receive for a period of thirty (30) days from the date of this publication comments relating to the Consent Decree. Comments should be addressed to the Assistant Attorney General, Environment and Natural Resources Division, P.O. Box 7611, U.S. Department of Justice, Washington, DC 20044–7611, with a copy to Matthew A. Fogelson, Trial Attorney, U.S. Department of Justice, Environment and Natural Resources Division, Environmental Enforcement Section, 301 Howard Street, Suite 1050, San Francisco, CA 94105, and should refer to *United States* v. *Carrier Corporation,* CV 05–6022 ABC (RCx), DOJ Ref. #90–11–2–354/15. Commenters may request an opportunity for a public meeting in the affected area, in accordance with Section 7003(d) of RCRA, 42 U.S.C. 6973(d).

The Consent Decree may be examined at the Office of the United States Attorney, Civil Division, c/o AUSA Suzette Clover, 300 North Los Angeles Street, Room 7516, Los Angeles, California 90012. During the public comment period, the Consent Decree may be examined on the Department of Justice Web site at *http://www.usdoj.gov/enrd/open.html.* A copy of the Consent Decree also may be obtained by mail from the Consent Decree Library, P.O. Box 7611, U.S. Department of Justice, Washington, DC 20044–7611, or by faxing or e-mailing a request to Tonia Fleetwood *(tonia.fleetwood@usdoj.gov)*, fax no. (202) 514–0097, phone confirmation number (202) 514–1547. In requesting a copy, please refer to *United States* v. *Carrier Corporation,* CV 05–6022 ABC (RCx), DOJ Ref. #90–11–2–354/15, and enclose a check in the amount of $77.50 (25 cents per page reproduction cost) payable to the U.S. Treasury. To receive the Consent Decree without the Appendices, pay $19.75.

Ellen Mahan,

Assistant Section Chief, Environmental Enforcement Section, Environment & Natural Resources Division.

[FR Doc. 05–17375 Filed 8–31–05; 8:45 am]

BILLING CODE 4410–15–M

DEPARTMENT OF JUSTICE

Notice of Lodging of Consent Decree Under the Clean Air Act

On August 25, 2005, Notice of Lodging of a Consent Decree was published in the **Federal Register** (Volume 70, Number 164, Page 49950–49951). That Notice contains a typographical error; the inclusion of the word ''million'' after ''$500,000.'' The following is the corrected Notice.

In accordance with Departmental Policy, 28 U.S.C. 50.7, notice is hereby given that on August 18, 2005, a proposed Consent Decree in *United States* v. *Cosmed Group, Inc.,* Civil Action No. 05353ML, was lodged with the United States District Court for the District of Rhode Island.

In this action the United States, on behalf of the United States Environmental Protection Agency (''EPA''), filed a complaint against Cosmed Group, Inc. (''Cosmed'') alleging various violations of the Clean Air Act and the Illinois State Implementation Plan, concerning Cosmed's current or former facilities in Coventry, RI, South Plainfield, NJ, Baltimore, MD, Waukegan, IL, Grand

[FR Doc. 05–23921 Filed 12–9–05; 8:45 am]
BILLING CODE 3510–DS–S

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731–TA–540 and 541 (Second Review)]

Certain Welded Stainless Steel Pipe From Korea and Taiwan

AGENCY: United States International Trade Commission.

ACTION: Notice of Commission determination to conduct full five-year reviews concerning the antidumping duty orders on certain welded stainless steel pipe from Korea and Taiwan.

SUMMARY: The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the antidumping duty orders on certain welded stainless steel pipe from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the reviews will be established and announced at a later date. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: December 5, 2005.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-

impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION: On December 5, 2005, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Act. The Commission found that the domestic interested party group response to its notice of institution (70 FR 52124, September 1, 2005) was adequate but that the respondent interested party group response was inadequate. However, the Commission found that other circumstances warranted conducting full reviews.[1] A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: December 7, 2005.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E5–7245 Filed 12–9–05; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF COMMERCE

Technology Administration

Request for Nominations of Members to Serve on the National Medal of Technology Nomination Evaluation Committee

AGENCY: Technology Administration, Commerce.

ACTION: Notice of request for nominations.

SUMMARY: The Department of Commerce (Technology Administration) is requesting nominations of individuals to serve on the National Medal of Technology Nomination Evaluation Committee. Technology Administration will consider nominations received in response to this notice as well as from other sources. The **SUPPLEMENTARY INFORMATION** section of this notice provides Committee and membership criteria.

DATES: Please submit nominations within 30 days of the publication of this notice.

ADDRESSES: Submit nominations to Mildred Porter, Director, National Medal of Technology Program, Technology Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW., Room 4817, Washington, DC 20230. Nominations also may be submitted via fax at 202–482–6275, or e-mail to: *nmt@technology.gov*.

FOR FURTHER INFORMATION CONTACT: Mildred Porter, Director, National Medal of Technology Program, Technology Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW., Room 4817, Washington, DC 20230, telephone (202) 482–5572.

SUPPLEMENTARY INFORMATION: The Committee was established in accordance with the Federal Advisory Committee Act (FACA) (Title 5, United States Code, Appendix 2). The following provides information about the Committee and membership.

1. Committee members are appointed by and serve at the discretion of the Secretary of Commerce. The Committee provides advice to the Secretary on the implementation of Public Law 96–480 (15 U.S.C. 3711). Public Law 105–309; 15 U.S.C. 3711, Section 10, approved by the 105th Congress in 1998, added the National Technology Medal for Environmental Technology.

2. The Committee functions solely as an advisory body under the FACA. Members are appointed to the 12-member Committee for a period of three-years. Each will be reevaluated at the conclusion of the three-year term with the prospect of renewal, pending Advisory Committee needs and the Secretary's concurrence. Selection of membership is made in accordance with applicable Department of Commerce guidelines.

3. Members are responsible for reviewing nominations and making recommendations for the Nation's highest honor for technological innovation, awarded annually by the President of the United States. Members of the Committee have an understanding of, and experience in, developing and utilizing technological innovation and/or they are familiar with the education, training, employment and management of technological human resources.

4. Under the FACA, membership in a committee must be balanced. To achieve balance, the Department is seeking additional nominations of candidates from small, medium-sized, and large businesses or with special expertise in the following sub sectors of the technology enterprise:

- Medical Innovations/Bioengineering and Biomedical Technology
- Technology Management/Computing/IT/Manufacturing Innovation
- Technology Manpower/Workforce Training/Education

Committee members are present or former Chief Executive Officers, former winners of the National Medal of Technology; presidents or distinguished faculty of universities; or senior executives of non-profit organizations. As such, they not only offer the stature of their positions but also possess intimate knowledge of the forces determining future directions for their organizations and industries. The Committee as a whole is balanced in representing geographical, professional, and diversity interests.

Nomination Information:

1. Nominees must be U.S. citizens, must be able to fully participate in meetings pertaining to the review and selection of finalists for the National Medal of Technology, and must uphold the confidential nature of an independent peer review and competitive selection process.

2. The Department of Commerce is committed to equal opportunity in the workplace and seeks a broad-based and diverse Committee membership.

Michelle O'Neill,

Acting Under Secretary for Technology, Technology Administration.

[FR Doc. E5–7185 Filed 12–9–05; 8:45 am]

BILLING CODE 3510–18–P

DEPARTMENT OF DEFENSE

Office of the Secretary

Proposed Collection; Comment Request

AGENCY: Office of the Under Secretary of Defense (Personnel and Readiness), DoD.

ACTION: Notice.

In compliance with section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995, the Office of the

[1] Chairman Stephen Koplan and Commissioners Jennifer A. Hillman and Shara L. Aranoff dissenting.

manufactured by either NKK or SMI that was entered or withdrawn from warehouse for consumption during the POR, we will direct CBP to liquidate at the ''all others'' rate, 44.20 percent, as all such sales were made by intermediary companies (*e.g.*, resellers) not covered in this review, a prior review, or the less than fair value (LTFV) investigation. *See Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003). The Department will issue appropriate assessment instructions directly to CBP within 15 days of publication of these final results of review.

CASH DEPOSIT REQUIREMENTS

The following cash deposit rates will be effective with respect to all shipments of OCTG from Japan entered, or withdrawn from warehouse, for consumption on or after the publication date of these final results, as provided for by section 751(a)(1) of the Act: (1) for JFE and Nippon, the cash deposit rate shall be 44.20 percent (the AFA rate from the investigation); (2) for previously reviewed or investigated companies not listed above, including NKK and SMI, the cash deposit rate will continue to be the company–specific rate established for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the LTFV investigation, but the manufacturer is, the cash deposit rate will continue to be the rate established for the most recent period for the manufacturer of the subject merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered by this review, a prior review, or the LTFV investigation, the cash deposit rate shall be the ''all others'' rate established in the LTFV investigation, which is 44.20 percent. *See Amended Final Determination*. These deposit rates, when imposed, shall remain in effect until publication of the final results of the next administrative review.

NOTIFICATION TO IMPORTERS

This notice serves as a final reminder to importers of their responsibility under 19 CFR § 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

ADMINISTRATIVE PROTECTIVE ORDERS

This notice also serves as a reminder to parties subject to administrative protective orders (APOs) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR § 351.305. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation that is subject to sanction.

This administrative review and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: December 23, 2005.

Stephen J. Claeys,

Acting Assistant Secretary for Import Administration.

[FR Doc. E5–8215 Filed 12–30–05; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

(A–580–810, A–583–815)

Welded ASTM A–312 Stainless Steel Pipe from South Korea and Taiwan: Notice of Final Results of Expedited (''Sunset'') Reviews of Antidumping Duty Orders

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

SUMMARY: On September 1, 2005, the Department of Commerce (''the Department'') published a notice of initiation of the second sunset reviews of the antidumping duty orders on welded ASTM A–312 stainless steel pipe (''WSSP'') from South Korea (''Korea'') and Taiwan, pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). On the basis of a notice of intent to participate and adequate substantive responses from the domestic interested parties and no response from respondent interested parties, the Department has conducted expedited sunset reviews of these antidumping duty orders. As a result of these sunset reviews, the Department finds that revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping at the level indicated in the ''Final Results of Review'' section of this notice.

EFFECTIVE DATE: January 3, 2006.

FOR INFORMATION CONTACT: Dana Mermelstein or Martha Douthit, AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution, NW., Washington, DC 20230; telephone: (202) 482–1391 or (202) 482–5050, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 1, 2005, the Department published a notice of initiation of the second sunset reviews of the antidumping duty orders on WSSP from Korea and Taiwan, pursuant to section 751(c) of the Act. *See Initiation of Five-year (''Sunset'') Reviews*, 70 FR 52074 (September 1, 2005).

We received notices of intent to participate, in each of the two sunset reviews, on behalf of Bristol Metals, L.P. and Marcegaglia U.S.A., Inc. (collectively, ''the domestic interested parties''), within the deadline specified in section 351.218(d)(1)(i) of the Department's regulations. The domestic interested parties claimed interested party status as producers of the subject merchandise pursuant to section 771(9)(C) of the Act. The domestic interested parties were petitioners in the original investigations, or successors to petitioners, and have participated in subsequent reviews.

On September 29, 2005, the Department received complete substantive responses to the notice of initiation from the domestic interested parties within the 30-day deadline specified in section 351.218(d)(3)(i) of the Department's regulations. The Department received no substantive responses from respondent interested parties. Based on these circumstances, pursuant to sections 751(c)(3)(B) of the Act and 351.218(e)(1)(ii)(C), the Department has conducted expedited reviews of these orders.

Scope of the Orders

The merchandise subject to each of these antidumping duty orders is WSSP that meets the standards and specifications set forth by the American Society for Testing and Materials (''ASTM'') for the welded form of chromium–nickel pipe designated ASTM A–312. The merchandise covered by the scope of each order also includes austenitic welded stainless steel pipes made according to the standards of other nations which are comparable to ASTM A–312. WSSP is produced by forming stainless steel flat–rolled products into a tubular configuration and welding along the seam. WSSP is a commodity product generally used as a

conduit to transmit liquids or gases. Major applications for steel pipe include, but are not limited to, digester lines, blow lines, pharmaceutical lines, petrochemical stock lines, brewery process and transport lines, general food processing lines, automotive paint lines, and paper process machines. Imports of WSSP are currently classifiable under the following Harmonized Tariff Schedule of the United States (''HTS'') subheadings: 7306.40.5005, 7306.40.5015, 7306.40.5040, 7306.40.5065, and 7306.40.5085. Although these subheadings include both pipes and tubes, the scope of these antidumping duty orders is limited to welded austenitic stainless steel pipes.

The HTS subheadings are provided for convenience and Customs purposes, our written description of the scope of these orders is dispositive.

Analysis of Comments Received

All issues raised in substantive responses by parties to these sunset reviews are addressed in the *Issues and Decision Memorandum for Final Results of Expedited (''Sunset'') Reviews of the Antidumping Duty Orders on Welded ASTM A–312 Stainless Steel Pipe from South Korea and Taiwan*, from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration (*Decision Memo*), dated December 30, 2005, which is hereby adopted by this notice. The issues discussed in the *Decision Memo* include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail were the order revoked.

Parties can find a complete discussion of all issues raised in these reviews and the corresponding recommendations in this public memorandum which is on file in B–099, the Central Records Unit, of the main Commerce building. In addition, a complete version of the *Decision Memo* can be accessed directly on the Web at *http://ia.doc.gov/frn*. The paper copy and electronic version of the *Decision Memo* are identical in content.

Final Results of Reviews

We determine that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping at the following weighted–average margins:

KOREA

Manufacturer/Exporter	Weighted Average Margins (percent)
Pusan Steel Pipe Co., Ltd. (now SeAH Steel Corporation)	2.67
Sammi Metal Products Co., Ltd.	7.92
All Others	7.00

TAIWAN

Manufacturer/Exporter	Weighted Average Margins (percent)
Jaung Yuann Enterprise Co., Ltd.	31.90
Yeun Chyang Industrial Co., Ltd.	31.90
All Others	19.84

This notice also serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with section 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this determination and notice in accordance with sections 751(c), 752, and 777(i) of the Act.

Dated: December 23, 2005.

Stephen J. Claeys,

Acting Assistant Secretary for Import Administration.

[FR Doc. E5–8209 Filed 12–30–05; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[I.D. 121605C]

Endangered Species; Permit No. 1429

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice; modification of scientific research permit.

SUMMARY: Notice is hereby given that a request for modification of scientific research Permit No. 1429 submitted by the National Marine Fisheries Service, Southeast Fisheries Science Center (SEFSC) has been granted.

ADDRESSES: The modification and related documents are available for review upon written request or by appointment in the following office(s):

Permits, Conservation and Education Division, Office of Protected Resources, NMFS, 1315 East-West Highway, Room 13705, Silver Spring, MD 20910; phone (301)713–2289, fax (301)427–2521; and

Southeast Region, NMFS, 263 13th Ave South, St. Petersburg, FL 33701; phone (727)824–5312; fax (727)824–5309.

FOR FURTHER INFORMATION CONTACT: Patrick Opay or Amy Hapeman, (301)713–2289.

SUPPLEMENTARY INFORMATION: The requested amendment has been granted under the authority of the Endangered Species Act of 1973, as amended (ESA; 16 U.S.C. 1531 *et seq.*) and the provisions of 50 CFR 222.306 of the regulations governing the taking, importing, and exporting of endangered and threatened fish and wildlife (50 CFR 222–226).

The modification extends the expiration date of the permit from December 31, 2005, to December 31, 2006, for takes of green (*Chelonia mydas*), loggerhead (*Caretta caretta*), olive ridley (*Lepidochelys olivacea*), leatherback (*Dermochelys coriacea*), hawksbill (*Eretmochelys imbricata*) and Kemp's ridley (*Lepidochelys kempii*) sea turtles. The permit allows the SEFSC to conduct sea turtle bycatch reduction research in the pelagic longline fishery of the western north Atlantic Ocean. The purpose of the research is to develop and test methods to reduce bycatch that occurs incidental to commercial pelagic longline fishing.

Issuance of this modification, as required by the ESA was based on a finding that such permit: (1) was applied for in good faith; (2) will not operate to the disadvantage of any threatened and endangered species; and (3) is consistent with the purposes and policies set forth in section 2 of the ESA.

Dated: December 22, 2005.

Steve Leathery,

Chief, Permits, Conservation and Education Division, Office of Protected Resources, National Marine Fisheries Service.

[FR Doc. E5–8219 Filed 12–30–05; 8:45 am]

BILLING CODE 3510–22–S

DEPARTMENT OF EDUCATION

Open Meeting of the National Advisory Council on Indian Education

AGENCY: National Advisory Council on Indian Education (NACIE), DOE.

ACTION: Notice of teleconference meeting.

Basin Water Storage Feasibility Study and associated Environmental Impact Statement that will address options for supplying additional water storage for the Yakima River Basin. Currently, site-specific recreation-related information is unavailable for the primary reservoirs and rivers. In order to accurately assess the current recreation and recreation-related economic environment within the Yakima River Basin, additional information must be collected from the recreationists who visit the reservoirs and rivers within the basin. Further, the survey information will allow Reclamation to adequately assess the recreation impacts that different options may have on the environment and the local economy.

Description of Respondents: Yakima River Basin reservoir and river recreationists come from the cities of Yakima and Ellensburg, Washington, as well as the smaller communities within the basin. A large number of visitors also come from western Washington, in particular the Puget Sound communities of Seattle and Tacoma. A smaller portion of recreationists within the basin are out-of-state visitors.

Frequency: This is a one-time voluntary survey.

Estimated Completion Time: An average of 20 minutes per respondent.

Estimated Total Annual Responses: 3,216.

Number of Responses per Respondent: 1.0.

Estimated Total Annual Burden Hours: 1,072.

Estimate of Burden for Each Form:

Form No.	Burden estimate per form (in minutes)	Number of respondents	Annual burden on respondents (in hours)
(Rivers)	20	1,340	447
(Reservoirs)	20	1,876	625

Our practice is to make comments, including names and home addresses of respondents, available for public review. Individual respondents may request that we withhold their home address from public disclosure, which we will honor to the extent allowable by law. There also may be circumstances in which we would withhold a respondent's identity from public disclosure, as allowable by law. If you wish us to withhold your name and/or address, you must state this prominently at the beginning of your comment. We will make all submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, available for public disclosure in their entirety.

Dated: February 7, 2006.

Jerry Kelso,

Area Manager, Upper Columbia Area Office, Pacific Northwest Region.

[FR Doc. E6–2211 Filed 2–15–06; 8:45 am]

BILLING CODE 4310–MN–P

INTERNATIONAL TRADE COMMISSION

[Inv. Nos. 731–TA–846–850 (Review)]

Carbon and Alloy Seamless Standard, Line, and Pressure Pipe From the Czech Republic, Japan, Mexico, Romania, and South Africa

AGENCY: United States International Trade Commission.

ACTION: Revised schedule for the subject reviews.

DATES: *Effective Date:* February 10, 2006.

FOR FURTHER INFORMATION CONTACT: Christopher J. Cassise (202–708–5408 or e-mail at *chris.cassise@usitc.gov*), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*http://www.usitc.gov*). The public record for these investigations may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov*.

SUPPLEMENTARY INFORMATION: On September 12, 2005, the Commission established a schedule for the conduct of the full five-year reviews on carbon and alloy seamless standard, line, and pressure pipe from the Czech Republic, Japan, Mexico, Romania, and South Africa (70 FR 55917, September 23, 2005). The Commission is revising its schedule.

The Commission's new schedule for the subject reviews is as follows: The closing of the record and the Commission's final release of information is scheduled for March 31, 2006 and final party comments are due on April 4, 2006.

For further information concerning these reviews see the Commission's notice cited above and the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.21 of the Commission's rules.

Issued: February 13, 2006.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E6–2277 Filed 2–15–06; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731–TA–540 and 541 (Second Review)]

Certain Welded Stainless Steel Pipe From Korea and Taiwan

AGENCY: International Trade Commission.

ACTION: Scheduling of full five-year reviews concerning the antidumping duty orders on certain welded stainless steel pipe from Korea and Taiwan.

SUMMARY: The Commission hereby gives notice of the scheduling of full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the antidumping duty orders on certain welded stainless steel pipe from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: *Effective Date:* February 8, 2006.

FOR FURTHER INFORMATION CONTACT: Eric Land (202–205–3349), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*http://www.usitc.gov*). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION:

Background. On December 5, 2005, the Commission determined that responses to its notice of institution of the subject five-year reviews were such that full reviews pursuant to section 751(c)(5) of the Act should proceed (70 FR 73452, December 12, 2005). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's Web site.

Participation in the reviews and public service list. Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in these reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the reviews need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list. Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the reviews. A party granted access to BPI following publication of the Commission's notice of institution of the reviews need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report. The prehearing staff report in the reviews will be placed in the nonpublic record on May 25, 2006, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing. The Commission will hold a hearing in connection with the reviews beginning at 9:30 a.m. on June 20, 2006, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before June 12, 2006. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on June 14, 2006, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 business days prior to the date of the hearing.

Written submissions. Each party to the reviews may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is June 7, 2006. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is June 29, 2006; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the reviews may submit a written statement of information pertinent to the subject of the reviews on or before June 29, 2006. On July 25, 2006, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before July 27, 2006, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: February 13, 2006.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E6–2262 Filed 2–15–06; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Antitrust Division

Notice Pursuant to the National Cooperative Research and Production Act of 1993—Open Mobile Alliance

Notice is hereby given that, on January 25, 2006, pursuant to Section 6(a) of the National Cooperative Research and Production Act of 1993, 15 U.S.C. 4301 *et seq.* (''the Act''), the

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Certain Welded Stainless Steel Pipe from Korea and Taiwan

Inv. Nos. 731-TA-540 and 541 (Second Review)

On December 5, 2005, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (as amended 19 U.S.C. § 1675(c)(5)).

The Commission received a consolidated response to its notice of institution from two domestic producers of welded stainless steel pipe ("WSS").[1] These producers collectively account for a moderate percentage of domestic production of WSS. The Commission found the individual response of each of the two domestic WSS producers, which contained company-specific data, adequate. The Commission determined that the domestic interested party group response to its notice of institution was adequate.

No responses were received from any respondent interested parties. Consequently, the Commission determined that the respondent interested party group response was inadequate.

The Commission further determined that circumstances warranted conducting a full review, based on possible changes in the conditions of competition in the U.S. market, most notably, the increased presence of non-subject imports.[2] Therefore, the Commission did not exercise its discretion to conduct an expedited review, but instead determined to conduct a full review.

A record of the Commissioners' votes is available from the Office of the Secretary and on the Commission's website (http://www.usitc.gov).

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[1]These producers include Bristol Metals, L.P. and Marcegaglia USA, Inc.

[2]Chairman Koplan and Commissioners Hillman and Aranoff voted to conduct expedited reviews of the orders because the respondent interested party group response was inadequate.

The Commission has stated that a decision to expedite a review requires a majority vote of the Commission, and thus, it will conduct a full review of these orders, because the Commission was evenly divided on whether to expedite these reviews. 63 Fed. Reg. 30599, 30604 (June 5, 1998).

APPENDIX B

HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Certain Welded Stainless Steel Pipe from Korea and Taiwan

Inv. Nos.: 731-TA-540 and 541 (Second Review)

Date and Time: June 20, 2006 - 9:30 a.m.

Sessions were held in connection with these reviews in the Main Hearing Room (room 101), 500 E Street, S.W., Washington, D.C.

OPENING REMARKS:

In Support of Continuation of Orders (**Roger B. Schagrin**,
Schagrin Associates)

In Support of the Continuation of the Antidumping Duty Orders:

Schagrin Associates
Washington, D.C.
on behalf of

Bristol Metals LP
Marcegaglia U.S.A., Inc.

John Tidlow, Vice President, Marketing and
Strategic Planning, Bristol Metals LP

William Klinefelter, Legislative and Political Director,
United Steel, Paper and Forestry, Rubber,
Manufacturing, Energy, Allied Industrial
and Service Workers International Union

Roger B. Schagrin) – OF COUNSEL

CLOSING REMARKS:

In Support of Continuation of Orders (**Roger B. Schagrin**,
Schagrin Associates)

APPENDIX C

SUMMARY DATA

Table C-1
Welded A-312 pipes: Summary data concerning the U.S. market, 2000-05, January-March 2005, and January-March 2006

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data								Period changes						
							January-March								January-March
Item	2000	2001	2002	2003	2004	2005	2005	2006	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
U.S. consumption quantity:															
Amount	77,295	65,336	68,258	71,309	74,859	75,020	18,059	20,045	-2.9	-15.5	4.5	4.5	5.0	0.2	11.0
Producers' share (1)	61.9	65.7	66.2	58.3	52.4	44.7	50.7	51.0	-17.2	3.8	0.5	-8.0	-5.8	-7.7	0.3
Importers' share (1):															
Korea	3.1	4.5	4.8	6.4	7.6	7.6	5.4	3.7	4.5	1.4	0.3	1.6	1.2	-0.0	-1.7
Taiwan (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	16.7	14.4	15.7	19.8	26.8	34.5	31.2	31.3	17.8	-2.3	1.2	4.2	7.0	7.7	0.1
Total imports	38.1	34.3	33.8	41.7	47.6	55.3	49.3	49.0	17.2	-3.8	-0.5	8.0	5.8	7.7	-0.3
U.S. consumption value:															
Amount	235,746	174,408	166,480	179,829	273,949	311,353	72,637	74,961	32.1	-26.0	-4.5	8.0	52.3	13.7	3.2
Producers' share (1)	63.3	63.2	63.2	58.5	56.3	48.0	52.9	54.4	-15.3	-0.1	0.0	-4.7	-2.3	-8.2	1.5
Importers' share (1):															
Korea	2.2	3.1	3.7	4.8	5.3	5.6	3.8	3.0	3.4	0.9	0.6	1.0	0.5	0.4	-0.8
Taiwan (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	19.0	22.0	22.1	23.4	26.5	34.2	30.7	31.3	15.2	3.0	0.1	1.4	3.0	7.8	0.6
Total imports	36.7	36.8	36.8	41.5	43.7	52.0	47.1	45.6	15.3	0.1	-0.0	4.7	2.3	8.2	-1.5
U.S. imports from:															
Korea:															
Quantity	2,403	2,938	3,259	4,549	5,708	5,716	977	745	137.9	22.3	10.9	39.6	25.5	0.1	-23.8
Value	5,181	5,427	6,212	8,550	14,491	17,577	2,768	2,223	239.3	4.8	14.5	37.6	69.5	21.3	-19.7
Unit value	$2,156	$1,847	$1,906	$1,879	$2,539	$3,075	$2,832	$2,984	42.6	-14.3	3.2	-1.4	35.1	21.1	5.3
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Taiwan (subject):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (nonsubject):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources:															
Quantity	12,899	9,419	10,686	14,138	20,048	25,894	5,629	6,269	100.8	-27.0	13.5	32.3	41.8	29.2	11.4
Value	44,822	38,356	36,747	42,166	72,490	106,534	22,286	23,472	137.7	-14.4	-4.2	14.7	71.9	47.0	5.3
Unit value	$3,475	$4,072	$3,439	$2,983	$3,616	$4,114	$3,959	$3,744	18.4	17.2	-15.6	-13.3	21.2	13.8	-5.4
Ending inventory quantity	413	122	426	1,420	2,910	2,217	1,802	1,322	437.5	-70.5	250.0	233.4	105.0	-23.8	-26.6
All sources:															
Quantity	29,438	22,423	23,055	29,769	35,595	41,456	8,900	9,816	40.8	-23.8	2.8	29.1	19.6	16.5	10.3
Value	86,480	64,187	61,246	74,572	119,814	161,771	34,198	34,180	87.1	-25.8	-4.6	21.8	60.7	35.0	-0.1
Unit value	$2,938	$2,863	$2,656	$2,505	$3,366	$3,902	$3,843	$3,482	32.8	-2.6	-7.2	-5.7	34.4	15.9	-9.4
Ending inventory quantity	1,005	122	426	1,420	2,910	2,217	1,802	1,322	120.6	-87.9	250.0	233.4	105.0	-23.8	-26.6
U.S. producers':															
Average capacity quantity	82,867	71,391	71,493	77,250	75,499	71,637	18,231	17,708	-13.6	-13.8	0.1	8.1	-2.3	-5.1	-2.9
Production quantity	50,170	40,328	46,554	42,140	40,259	32,217	7,729	9,905	-35.8	-19.6	15.4	-9.5	-4.5	-20.0	28.2
Capacity utilization (1)	60.5	56.5	65.1	54.6	53.3	45.0	42.4	55.9	-15.6	-4.1	8.6	-10.6	-1.2	-8.4	13.5
U.S. shipments:															
Quantity	47,857	42,913	45,203	41,540	39,263	33,564	9,159	10,229	-29.9	-10.3	5.3	-8.1	-5.5	-14.5	11.7
Value	149,266	110,220	105,234	105,256	154,136	149,582	38,439	40,781	0.2	-26.2	-4.5	0.0	46.4	-3.0	6.1
Unit value	$3,119	$2,568	$2,328	$2,534	$3,926	$4,457	$4,197	$3,987	42.9	-17.7	-9.4	8.8	54.9	13.5	-5.0
Export shipments:															
Quantity	499	550	450	412	448	149	184	273	-70.1	10.4	-18.3	-8.4	8.7	-66.7	48.2
Value	1,826	1,606	1,327	1,408	2,181	821	679	1,085	-55.1	-12.0	-17.4	6.1	54.9	-62.4	59.9
Unit value	$3,663	$2,919	$2,952	$3,420	$4,874	$5,505	$3,682	$3,972	50.3	-20.3	1.2	15.8	42.5	12.9	7.9
Ending inventory quantity	13,006	7,646	8,563	7,749	8,878	7,442	7,618	6,637	-42.8	-41.2	12.0	-9.5	14.6	-16.2	-12.9
Inventories/total shipments (1)	26.9	17.6	18.8	18.5	22.4	22.1	20.4	15.8	-4.8	-9.3	1.2	-0.3	3.9	-0.3	-4.6
Production workers	535	355	336	325	338	328	319	322	-38.6	-33.7	-5.2	-3.3	3.8	-2.7	0.7
Hours worked (1,000s)	1,151	811	779	747	795	810	180	182	-29.7	-29.6	-3.9	-4.0	6.4	1.8	1.2
Wages paid ($1,000s)	17,610	11,937	11,544	11,219	11,731	11,759	2,911	2,791	-33.2	-32.2	-3.3	-2.8	4.6	0.2	-4.1
Hourly wages	$15.30	$14.72	$14.82	$15.01	$14.75	$14.52	$16.19	$15.34	-5.1	-3.7	0.7	1.3	-1.7	-1.6	-5.3
Productivity (tons/1,000 hours)	43.6	49.7	59.8	56.4	50.6	39.8	43.0	54.4	-8.7	14.1	20.2	-5.7	-10.2	-21.4	26.6
Unit labor costs	$351.00	$295.98	$247.96	$266.23	$291.38	$365.00	$376.68	$281.79	4.0	-15.7	-16.2	7.4	9.4	25.3	-25.2
Net sales:															
Quantity	48,122	43,245	45,446	41,723	39,506	33,551	7,933	9,034	-30.3	-10.1	5.1	-8.2	-5.3	-15.1	13.9
Value	150,144	110,248	105,313	105,655	154,797	149,160	33,991	36,958	-0.7	-26.6	-4.5	0.3	46.5	-3.6	8.7
Unit value	$3,120	$2,549	$2,317	$2,532	$3,918	$4,446	$4,284	$4,091	42.5	-18.3	-9.1	9.3	54.7	13.5	-4.5
Cost of goods sold (COGS)	137,713	111,371	116,942	106,562	137,769	140,925	31,016	35,463	2.3	-19.1	5.0	-8.9	29.3	2.3	14.3
Gross profit or (loss)	12,432	(1,122)	(11,628)	(908)	17,028	8,235	2,975	1,494	-33.8	(3)	-936.2	92.2	(3)	-51.6	-49.8
SG&A expenses	15,487	12,379	11,536	9,171	10,853	10,542	2,425	2,237	-31.9	-20.1	-6.8	-20.5	18.3	-2.9	-7.8
Operating income or (loss)	(3,056)	(13,502)	(23,165)	(10,079)	6,175	(2,307)	550	(743)	24.5	-341.9	-71.6	56.5	(3)	(3)	(3)
Capital expenditures	6,777	3,830	3,210	2,281	3,038	4,624	635	885	-31.8	-43.5	-16.2	-28.9	33.2	52.2	39.4
Unit COGS	$2,862	$2,575	$2,573	$2,554	$3,487	$4,200	$3,910	$3,926	46.8	-10.0	-0.1	-0.7	36.5	20.4	0.4
Unit SG&A expenses	$322	$286	$254	$220	$275	$314	$306	$248	-2.4	-11.1	-11.3	-13.4	25.0	14.4	-19.0
Unit operating income or (loss)	($63)	($312)	($510)	($242)	$156	($69)	$69	($82)	-8.3	-391.7	-63.3	52.6	(3)	(3)	(3)
COGS/sales (1)	91.7	101.0	111.0	100.9	89.0	94.5	91.2	96.0	2.8	9.3	10.0	-10.2	-11.9	5.5	4.7
Operating income or (loss)/ sales (1)	(2.0)	(12.2)	(22.0)	(9.5)	4.0	(1.5)	1.6	(2.0)	0.5	-10.2	-9.7	12.5	13.5	-5.5	-3.6

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable.
(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-2
Other WSS pipes and pressure tubes: Summary data concerning the U.S. market, 2000-05, January-March 2005, and January-March 2006

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data								Period changes						
							January-March								January-March
Item	2000	2001	2002	2003	2004	2005	2005	2006	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
U.S. consumption quantity:															
Amount	31,816	30,772	33,910	32,834	37,389	36,617	9,898	10,005	15.1	-3.3	10.2	-3.2	13.9	-2.1	1.1
Producers' share (1)	75.3	79.5	78.0	75.5	70.4	77.5	75.5	80.1	2.2	4.3	-1.6	-2.5	-5.2	7.1	4.6
Importers' share (1):	24.7	20.5	22.0	24.5	29.6	22.5	24.5	19.9	-2.2	-4.3	1.6	2.5	5.2	-7.1	-4.6
U.S. consumption value:															
Amount	111,585	116,926	117,741	116,092	161,484	188,262	44,968	52,927	68.7	4.8	0.7	-1.4	39.1	16.6	17.7
Producers' share (1)	81.7	86.1	85.0	83.4	78.7	84.8	81.4	87.4	3.1	4.4	-1.1	-1.6	-4.7	6.1	6.0
Importers' share (1):	18.3	13.9	15.0	16.6	21.3	15.2	18.6	12.6	-3.1	-4.4	1.1	1.6	4.7	-6.1	-6.0
U.S. imports from all sources:															
Quantity	7,864	6,296	7,464	8,033	11,079	8,240	2,429	1,995	4.8	-19.9	18.5	7.6	37.9	-25.6	-17.9
Value	20,402	16,258	17,692	19,300	34,376	28,534	8,372	6,689	39.9	-20.3	8.8	9.1	78.1	-17.0	-20.1
Unit value	$2,594	$2,582	$2,370	$2,403	$3,103	$3,463	$3,447	$3,353	33.5	-0.5	-8.2	1.4	29.1	11.6	-2.7
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
U.S. producers':															
Average capacity quantity	51,875	62,884	63,611	66,099	63,998	68,284	15,107	17,191	31.6	21.2	1.2	3.9	-3.2	6.7	13.8
Production quantity	26,283	24,206	28,858	28,068	29,001	30,709	8,144	7,626	16.8	-7.9	19.2	-2.7	3.3	5.9	-6.4
Capacity utilization (1)	50.7	38.5	45.4	42.5	45.3	45.0	53.9	44.4	-5.7	-12.2	6.9	-2.9	2.9	-0.3	-9.6
U.S. shipments:															
Quantity	23,952	24,476	26,446	24,801	26,310	28,377	7,469	8,011	18.5	2.2	8.1	-6.2	6.1	7.9	7.3
Value	91,183	100,669	100,049	96,792	127,108	159,729	36,596	46,238	75.2	10.4	-0.6	-3.3	31.3	25.7	26.3
Unit value	$3,807	$4,113	$3,783	$3,903	$4,831	$5,629	$4,900	$5,772	47.9	8.0	-8.0	3.2	23.8	16.5	17.8
Export shipments:															
Quantity	1,342	2,177	1,677	2,089	3,362	3,168	844	573	136.1	62.3	-23.0	24.6	60.9	-5.8	-32.1
Value	4,463	8,537	6,008	6,732	13,173	14,687	3,563	2,742	229.1	91.3	-29.6	12.0	95.7	11.5	-23.0
Unit value	$3,327	$3,922	$3,584	$3,222	$3,918	$4,636	$4,222	$4,787	39.4	17.9	-8.6	-10.1	21.6	18.3	13.4
Ending inventory quantity	9,512	9,290	10,010	9,191	7,939	6,892	7,450	5,897	-27.5	-2.3	7.8	-8.2	-13.6	-13.2	-20.8
Inventories/total shipments (1)	37.6	34.9	35.6	34.2	26.8	21.8	22.4	17.2	-15.8	-2.8	0.7	-1.4	-7.4	-4.9	-5.2
Production workers	507	574	578	552	508	542	486	588	6.9	13.3	0.6	-4.5	-7.9	6.5	21.2
Hours worked (1,000s)	777	883	935	902	790	888	221	269	14.4	13.7	5.9	-3.6	-12.4	12.5	21.5
Wages paid ($1,000s)	11,086	13,484	14,223	13,448	12,420	14,290	3,543	4,632	28.9	21.6	5.5	-5.5	-7.6	15.1	30.7
Hourly wages	$14.28	$15.27	$15.21	$14.92	$15.73	$16.09	$16.03	$17.25	12.7	7.0	-0.4	-1.9	5.4	2.3	7.6
Productivity (tons/1,000 hours)	32.7	26.2	30.1	30.5	35.3	32.1	33.5	27.1	-1.7	-19.9	14.8	1.4	15.8	-9.0	-19.1
Unit labor costs	$436.44	$582.84	$505.65	$488.87	$445.14	$500.62	$479.12	$637.39	14.7	33.5	-13.2	-3.3	-8.9	12.5	33.0
Net sales:															
Quantity	26,251	27,902	29,416	28,102	30,342	31,081	6,438	6,391	18.4	6.3	5.4	-4.5	8.0	2.4	-0.7
Value	103,251	118,111	114,690	111,990	146,931	178,062	32,792	39,560	72.5	14.4	-2.9	-2.4	31.2	21.2	20.6
Unit value	$3,933	$4,233	$3,899	$3,985	$4,842	$5,729	$5,094	$6,190	45.7	7.6	-7.9	2.2	21.5	18.3	21.5
Cost of goods sold (COGS)	95,344	111,280	112,646	109,957	124,852	153,812	27,593	32,105	61.3	16.7	1.2	-2.4	13.5	23.2	16.4
Gross profit or (loss)	7,906	6,830	2,043	2,033	22,079	24,250	5,199	7,455	206.7	-13.6	-70.1	-0.5	986.0	9.8	43.4
SG&A expenses	8,936	9,491	9,446	8,983	10,690	11,328	2,148	3,018	26.8	6.2	-0.5	-4.9	19.0	6.0	40.5
Operating income or (loss)	(1,030)	(2,661)	(7,403)	(6,950)	11,389	12,922	3,051	4,437	(3)	-158.4	-178.2	6.1	(3)	13.5	45.5
Capital expenditures	3,445	3,789	2,446	2,458	5,903	7,627	431	1,627	121.4	10.0	-35.4	0.5	140.1	29.2	277.5
Unit COGS	$3,632	$3,988	$3,829	$3,913	$4,115	$4,949	$4,286	$5,023	36.3	9.8	-4.0	2.2	5.2	20.3	17.2
Unit SG&A expenses	$340	$340	$321	$320	$352	$364	$334	$472	7.1	-0.1	-5.6	-0.5	10.2	3.4	41.5
Unit operating income or (loss)	($39)	($95)	($252)	($247)	$375	$416	$474	$694	(3)	-143.1	-163.9	1.7	(3)	10.8	46.5
COGS/sales (1)	92.3	94.2	98.2	98.2	85.0	86.4	84.1	81.2	-6.0	1.9	4.0	-0.0	-13.2	1.4	-3.0
Operating income or (loss)/ sales (1)	(1.0)	(2.3)	(6.5)	(6.2)	7.8	7.3	9.3	11.2	8.3	-1.3	-4.2	0.2	14.0	-0.5	1.9

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable.
(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown.
Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-3
WSS pipes and pressure tubes: Summary data concerning the U.S. market, 2000-05, January-March 2005, and January-March 2006

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data								Period changes						
							January-March								January-March
Item	2000	2001	2002	2003	2004	2005	2005	2006	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
U.S. consumption quantity:															
Amount	109,111	96,108	102,168	104,142	112,247	111,637	27,957	30,050	2.3	-11.9	6.3	1.9	7.8	-0.5	7.5
Producers' share (1)	65.8	70.1	70.1	63.7	58.4	55.5	59.5	60.7	-10.3	4.3	0.0	-6.4	-5.3	-2.9	1.2
Importers' share (1):															
Korea (subject)	2.2	3.1	3.2	4.4	5.1	5.1	3.5	2.5	2.9	0.9	0.1	1.2	0.7	0.0	-1.0
Taiwan (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other imports	19.0	16.4	17.8	21.3	27.7	30.6	28.8	27.5	11.5	-2.7	1.4	3.5	6.4	2.8	-1.3
Total imports	34.2	29.9	29.9	36.3	41.6	44.5	40.5	39.3	10.3	-4.3	-0.0	6.4	5.3	2.9	-1.2
U.S. consumption value:															
Amount	347,331	291,334	284,221	295,920	435,434	499,615	117,605	127,888	43.8	-16.1	-2.4	4.1	47.1	14.7	8.7
Producers' share (1)	69.2	72.4	72.2	68.3	64.6	61.9	63.8	68.0	-7.3	3.2	-0.2	-3.9	-3.7	-2.7	4.2
Importers' share (1):															
Korea (subject)	1.5	1.9	2.2	2.9	3.3	3.5	2.4	1.7	2.0	0.4	0.3	0.7	0.4	0.2	-0.6
Taiwan (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other imports	18.8	18.7	19.2	20.8	24.5	27.0	26.1	23.6	8.3	-0.0	0.4	1.6	3.8	2.5	-2.5
Total imports	30.8	27.6	27.8	31.7	35.4	38.1	36.2	32.0	7.3	-3.2	0.2	3.9	3.7	2.7	-4.2
U.S. imports from:															
Korea (subject):															
Quantity	2,403	2,938	3,259	4,549	5,708	5,716	977	745	137.9	22.3	10.9	39.6	25.5	0.1	-23.8
Value	5,181	5,427	6,212	8,550	14,491	17,577	2,768	2,223	239.3	4.8	14.5	37.6	69.5	21.3	-19.7
Unit value	$2,156	$1,847	$1,906	$1,879	$2,539	$3,075	$2,832	$2,984	42.6	-14.3	3.2	-1.4	35.1	21.1	5.3
Ending inventory quantity	0	0	0	0	0	0	0	0	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Taiwan (subject):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (subject):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (nonsubject):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other imports (2):															
Quantity	20,763	15,715	18,150	22,171	31,127	34,134	8,058	8,264	64.4	-24.3	15.5	22.2	40.4	9.7	2.6
Value	65,225	54,614	54,439	61,466	106,866	135,068	30,658	30,161	107.1	-16.3	-0.3	12.9	73.9	26.4	-1.6
Unit value	$3,141	$3,475	$2,999	$2,772	$3,433	$3,957	$3,805	$3,650	26.0	10.6	-13.7	-7.6	23.8	15.3	-4.1
Ending inventory quantity	413	122	426	1,420	2,910	2,217	1,802	1,322	437.5	-70.5	250.0	233.4	105.0	-23.8	-26.6
All sources:															
Quantity	37,302	28,719	30,519	37,802	46,674	49,696	11,329	11,810	33.2	-23.0	6.3	23.9	23.5	6.5	4.3
Value	106,882	80,445	78,938	93,872	154,190	190,304	42,570	40,869	78.1	-24.7	-1.9	18.9	64.3	23.4	-4.0
Unit value	$2,865	$2,801	$2,587	$2,483	$3,304	$3,829	$3,758	$3,460	33.6	-2.2	-7.7	-4.0	33.0	15.9	-7.9
Ending inventory quantity	1,005	122	426	1,420	2,910	2,217	1,802	1,322	120.6	-87.9	250.0	233.4	105.0	-23.8	-26.6
U.S. producers':															
Average capacity quantity	134,742	134,275	135,104	143,349	139,497	139,921	33,338	34,899	3.8	-0.3	0.6	6.1	-2.7	0.3	4.7
Production quantity	76,453	64,534	75,412	70,208	69,260	62,926	15,873	17,531	-17.7	-15.6	16.9	-6.9	-1.4	-9.1	10.4
Capacity utilization (1)	56.7	48.1	55.8	49.0	49.6	45.0	47.6	50.2	-11.8	-8.7	7.8	-6.8	0.7	-4.7	2.6
U.S. shipments:															
Quantity	71,809	67,389	71,649	66,340	65,573	61,941	16,628	18,240	-13.7	-6.2	6.3	-7.4	-1.2	-5.5	9.7
Value	240,449	210,889	205,283	202,048	281,244	309,311	75,035	87,019	28.6	-12.3	-2.7	-1.6	39.2	10.0	16.0
Unit value	$3,348	$3,129	$2,865	$3,046	$4,289	$4,994	$4,513	$4,771	49.1	-6.5	-8.4	6.3	40.8	16.4	5.7
Export shipments:															
Quantity	1,840	2,727	2,126	2,501	3,810	3,317	1,028	846	80.3	48.2	-22.0	17.6	52.3	-12.9	-17.7
Value	6,289	10,143	7,335	8,140	15,354	15,508	4,241	3,827	146.6	61.3	-27.7	11.0	88.6	1.0	-9.8
Unit value	$3,418	$3,719	$3,450	$3,255	$4,030	$4,675	$4,125	$4,524	36.8	8.8	-7.2	-5.7	23.8	16.0	9.7
Ending inventory quantity	22,518	16,936	18,573	16,940	16,817	14,334	15,068	12,534	-36.3	-24.8	9.7	-8.8	-0.7	-14.8	-16.8
Inventories/total shipments (1)	30.6	24.2	25.2	24.6	24.2	22.0	21.3	16.4	-8.6	-6.4	1.0	-0.6	-0.4	-2.3	-4.9
Production workers	1,042	929	914	877	846	870	805	910	-16.5	-10.8	-1.6	-4.0	-3.5	2.8	13.0
Hours worked (1,000s)	1,928	1,694	1,714	1,649	1,585	1,698	401	451	-11.9	-12.1	1.2	-3.8	-3.9	7.1	12.4
Wages paid ($1,000s)	28,696	25,421	25,767	24,667	24,151	26,049	6,454	7,423	-9.2	-11.4	1.4	-4.3	-2.1	7.9	15.0
Hourly wages	$14.88	$15.01	$15.03	$14.96	$15.24	$15.34	$16.10	$16.48	3.1	0.8	0.2	-0.5	1.9	0.7	2.3
Productivity (tons/1,000 hours)	39.2	37.5	43.6	42.2	43.0	35.8	37.7	38.1	-8.7	-4.4	16.3	-3.1	1.8	-16.8	1.0
Unit labor costs	$379.72	$400.56	$345.02	$354.16	$354.32	$428.71	$426.77	$432.27	12.9	5.5	-13.9	2.7	0.0	21.0	1.3
Net sales:															
Quantity	74,373	71,147	74,862	69,825	69,848	64,632	14,371	15,425	-13.1	-4.3	5.2	-6.7	0.0	-7.5	7.3
Value	253,395	228,359	220,003	217,645	301,728	327,222	66,782	76,518	29.1	-9.9	-3.7	-1.1	38.6	8.4	14.6
Unit value	$3,407	$3,210	$2,939	$3,117	$4,320	$5,063	$4,647	$4,961	48.6	-5.8	-8.4	6.1	38.6	17.2	6.7
Cost of goods sold (COGS)	233,057	222,651	229,588	216,520	262,621	294,737	58,609	67,568	26.5	-4.5	3.1	-5.7	21.3	12.2	15.3
Gross profit or (loss)	20,338	5,708	(9,585)	1,125	39,107	32,485	8,173	8,950	59.7	-71.9	(4)	(4)	3,375.8	-16.9	9.5
SG&A expenses	24,424	21,871	20,982	18,154	21,543	21,870	4,573	5,255	-10.5	-10.5	-4.1	-13.5	18.7	1.5	14.9
Operating income or (loss)	(4,086)	(16,162)	(30,567)	(17,028)	17,564	10,615	3,600	3,695	(4)	-295.6	-89.1	44.3	(4)	-39.6	2.6
Capital expenditures	10,222	7,619	5,656	4,740	8,942	12,250	1,066	2,512	19.8	-25.5	-25.8	-16.2	88.6	37.0	135.6
Unit COGS	$3,134	$3,129	$3,067	$3,101	$3,760	$4,560	$4,078	$4,380	45.5	-0.1	-2.0	1.1	21.3	21.3	7.4
Unit SG&A expenses	$328	$307	$280	$260	$308	$338	$318	$341	3.0	-6.4	-8.8	-7.2	18.6	9.7	7.1
Unit operating income or (loss)	($55)	($227)	($408)	($244)	$251	$164	$251	$240	(4)	-313.5	-79.7	40.3	(4)	-34.7	-4.4
COGS/sales (1)	92.0	97.5	104.4	99.5	87.0	90.1	87.8	88.3	-1.9	5.5	6.9	-4.9	-12.4	3.0	0.5
Operating income or (loss)/ sales (1)	(1.6)	(7.1)	(13.9)	(7.8)	5.8	3.2	5.4	4.8	4.9	-5.5	-6.8	6.1	13.6	-2.6	-0.6

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) All other imports include imports of A-312 pipes from all other sources and imports of other welded pipes/pressure tubes from all sources.
(3) Not applicable.
(4) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-4
Welded A-312 and A-778 pipes: Summary data concerning the U.S. market, 2000-05, January-March 2005, and January-March 2006

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data								Period changes						
							January-March								January-March
Item	2000	2001	2002	2003	2004	2005	2005	2006	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
U.S. consumption quantity:															
Amount	81,999	68,613	72,327	76,041	79,110	78,462	18,929	21,157	-4.3	-16.3	5.4	5.1	4.0	-0.8	11.8
Producers' share (1)	64.1	67.3	68.1	60.9	55.0	47.2	53.0	53.6	-16.9	3.2	0.8	-7.3	-5.8	-7.8	0.6
Importers' share (1):															
Korea (subject)	2.9	4.3	4.5	6.0	7.2	7.3	5.2	3.5	4.4	1.4	0.2	1.5	1.2	0.1	-1.6
Taiwan (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other imports	15.7	13.7	14.8	18.6	25.3	33.0	29.7	29.6	17.3	-2.0	1.0	3.8	6.8	7.7	-0.1
Total imports	35.9	32.7	31.9	39.1	45.0	52.8	47.0	46.4	16.9	-3.2	-0.8	7.3	5.8	7.8	-0.6
U.S. consumption value:															
Amount	247,078	181,227	174,326	189,666	287,814	323,186	75,554	78,439	30.8	-26.7	-3.8	8.8	51.7	12.3	3.8
Producers' share (1)	65.0	64.6	64.9	60.7	58.4	49.9	54.7	56.4	-15.1	-0.4	0.3	-4.2	-2.3	-8.4	1.7
Importers' share (1):															
Korea (subject)	2.1	3.0	3.6	4.5	5.0	5.4	3.7	2.8	3.3	0.9	0.6	0.9	0.5	0.4	-0.8
Taiwan (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other imports	18.1	21.2	21.1	22.2	25.2	33.0	29.5	29.9	14.8	3.0	-0.1	1.2	3.0	7.8	0.4
Total imports	35.0	35.4	35.1	39.3	41.6	50.1	45.3	43.6	15.1	0.4	-0.3	4.2	2.3	8.4	-1.7
U.S. imports from:															
Korea (subject):															
Quantity	2,403	2,938	3,259	4,549	5,708	5,716	977	745	137.9	22.3	10.9	39.6	25.5	0.1	-23.8
Value	5,181	5,427	6,212	8,550	14,491	17,577	2,768	2,223	239.3	4.8	14.5	37.6	69.5	21.3	-19.7
Unit value	$2,156	$1,847	$1,906	$1,879	$2,539	$3,075	$2,832	$2,984	42.6	-14.3	3.2	-1.4	35.1	21.1	5.3
Ending inventory quantity	0	0	0	0	0	0	0	0	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Taiwan (subject):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (subject):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (nonsubject):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other imports (2):															
Quantity	12,899	9,419	10,686	14,138	20,048	25,894	5,629	6,269	100.8	-27.0	13.5	32.3	41.8	29.2	11.4
Value	44,822	38,356	36,747	42,166	72,490	106,534	22,286	23,472	137.7	-14.4	-4.2	14.7	71.9	47.0	5.3
Unit value	$3,475	$4,072	$3,439	$2,983	$3,616	$4,114	$3,959	$3,744	18.4	17.2	-15.6	-13.3	21.2	13.8	-5.4
Ending inventory quantity	413	122	426	1,420	2,910	2,217	1,802	1,322	437.5	-70.5	250.0	233.4	105.0	-23.8	-26.6
All sources:															
Quantity	29,438	22,423	23,055	29,769	35,595	41,456	8,900	9,816	40.8	-23.8	2.8	29.1	19.6	16.5	10.3
Value	86,480	64,187	61,246	74,572	119,814	161,771	34,198	34,180	87.1	-25.8	-4.6	21.8	60.7	35.0	-0.1
Unit value	$2,938	$2,863	$2,656	$2,505	$3,366	$3,902	$3,843	$3,482	32.8	-2.6	-7.2	-5.7	34.4	15.9	-9.4
Ending inventory quantity	1,005	122	426	1,420	2,910	2,217	1,802	1,322	120.6	-87.9	250.0	233.4	105.0	-23.8	-26.6
U.S. producers':															
Average capacity quantity	88,787	76,803	77,097	85,419	82,113	77,877	19,794	19,358	-12.3	-13.5	0.4	10.8	-3.9	-5.2	-2.2
Production quantity	54,957	43,593	50,916	46,848	44,605	35,579	8,570	11,044	-35.3	-20.7	16.8	-8.0	-4.8	-20.2	28.9
Capacity utilization (1)	61.9	56.8	66.0	54.8	54.3	45.7	43.3	57.1	-16.2	-5.1	9.3	-11.2	-0.5	-8.6	13.8
U.S. shipments:															
Quantity	52,561	46,191	49,272	46,272	43,514	37,006	10,029	11,341	-29.6	-12.1	6.7	-6.1	-6.0	-15.0	13.1
Value	160,599	117,040	113,080	115,093	168,001	161,415	41,356	44,259	0.5	-27.1	-3.4	1.8	46.0	-3.9	7.0
Unit value	$3,055	$2,534	$2,295	$2,487	$3,861	$4,362	$4,124	$3,903	42.8	-17.1	-9.4	8.4	55.2	13.0	-5.4
Export shipments:															
Quantity	499	550	450	412	448	149	251	350	-70.1	10.4	-18.3	-8.4	8.7	-66.7	39.1
Value	1,826	1,606	1,327	1,408	2,181	821	903	1,323	-55.1	-12.0	-17.4	6.1	54.9	-62.4	46.6
Unit value	$3,663	$2,919	$2,952	$3,420	$4,874	$5,505	$3,589	$3,781	50.3	-20.3	1.2	15.8	42.5	12.9	5.4
Ending inventory quantity	14,166	8,683	9,892	9,306	10,306	8,729	8,900	7,772	-38.4	-38.7	13.9	-5.9	10.7	-15.3	-12.7
Inventories/total shipments (1)	26.7	18.6	19.9	19.9	23.4	23.5	21.6	16.6	-3.2	-8.1	1.3	0.0	3.5	0.1	-5.0
Production workers	560	374	357	349	359	346	337	341	-38.3	-33.2	-4.5	-2.3	2.9	-3.9	1.5
Hours worked (1,000s)	1,207	853	823	801	841	850	190	193	-29.6	-29.4	-3.5	-2.6	5.0	1.0	1.8
Wages paid ($1,000s)	18,411	12,549	12,237	12,066	12,505	12,438	3,085	2,990	-32.4	-31.8	-2.5	-1.4	3.6	-0.5	-3.1
Hourly wages	$15.26	$14.72	$14.87	$15.06	$14.87	$14.64	$16.25	$15.47	-4.0	-3.5	1.0	1.3	-1.3	-1.5	-4.8
Productivity (tons/1,000 hours)	45.5	51.1	61.9	58.5	53.0	41.9	45.2	57.2	-8.0	12.3	21.0	-5.5	-9.3	-21.0	26.6
Unit labor costs	$335.01	$287.87	$240.33	$257.55	$280.34	$349.59	$359.96	$270.69	4.4	-14.1	-16.5	7.2	8.8	24.7	-24.8
Net sales:															
Quantity	52,825	46,522	49,515	46,456	43,757	36,993	7,962	9,180	-30.0	-11.9	6.4	-6.2	-5.8	-15.5	15.3
Value	161,477	117,068	113,159	115,492	168,662	160,992	34,104	37,458	-0.3	-27.5	-3.3	2.1	46.0	-4.5	9.8
Unit value	$3,057	$2,516	$2,285	$2,486	$3,855	$4,352	$4,283	$4,080	42.4	-17.7	-9.2	8.8	55.0	12.9	-4.7
Cost of goods sold (COGS)	146,427	117,374	123,998	114,928	147,119	150,645	31,106	35,923	2.9	-19.8	5.6	-7.3	28.0	2.4	15.5
Gross profit or (loss)	15,049	(305)	(10,839)	564	21,543	10,348	2,999	1,535	-31.2	(4)	-3449.2	(4)	3720.0	-52.0	-48.8
SG&A expenses	16,655	13,176	12,290	10,282	12,297	11,472	2,432	2,268	-31.1	-20.9	-6.7	-16.3	19.6	-6.7	-6.7
Operating income or (loss)	(1,606)	(13,482)	(23,130)	(9,718)	9,246	(1,125)	566	(733)	30.0	-739.6	-71.6	58.0	(4)	(4)	(4)
Capital expenditures	7,288	4,737	3,363	2,296	3,077	4,870	685	885	-33.2	-35.0	-29.0	-31.7	34.0	58.3	29.2
Unit COGS	$2,772	$2,523	$2,504	$2,474	$3,362	$4,072	$3,907	$3,913	46.9	-9.0	-0.7	-1.2	35.9	21.1	0.2
Unit SG&A expenses	$315	$283	$248	$221	$281	$310	$305	$247	-1.6	-10.2	-12.4	-10.8	27.0	10.4	-19.1
Unit operating income or (loss)	($30)	($290)	($467)	($209)	$211	($30)	$71	($80)	-0.0	-853.4	-61.2	55.2	(4)	(4)	(4)
COGS/sales (1)	90.7	100.3	109.6	99.5	87.2	93.6	91.2	95.9	2.9	9.6	9.3	-10.1	-12.3	6.3	4.7
Operating income or (loss)/ sales (1)	(1.0)	(11.5)	(20.4)	(8.4)	5.5	(0.7)	1.7	(2.0)	0.3	-10.5	-8.9	12.0	13.9	-6.2	-3.6

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) All other imports include imports of A-312 and A-778 pipes from all other sources and imports of other welded pipes/pressure tubes from all sources.
(3) Not applicable.
(4) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown.
Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

APPENDIX D

RESPONSES OF U.S. PRODUCERS, U.S. IMPORTERS, U.S. PURCHASERS, AND FOREIGN PRODUCERS REGARDING THE SIGNIFICANCE OF THE ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION

U.S. PRODUCERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION

The Commission requested U.S. producers to describe any changes in the character of their operations or organization relating to the production of welded stainless steel pipes and pressure tubes in the future if the antidumping duty orders on welded A-312 pipes from Korea and/or Taiwan were to be revoked. (Question II-4.) The following are quotations from the responses of producers.

****

***

****

***

***** (on Korea)**

***

***** (on Taiwan)**

***

****

***

The Commission requested U.S. producers to describe the significance of the existing antidumping duty orders covering imports of welded A-312 pipes from Korea and/or Taiwan in terms of its effect on their firm's production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values. (Question II-15.) The following are quotations from the responses of producers.

***** (Korea and Taiwan)**

***

***** (Korea and Taiwan)**

***

***** (Korea and Taiwan)**

***

***** (Korea and Taiwan)**

***

***** (Korea and Taiwan)**

***

***** (Korea and Taiwan)**

***

The Commission requested U.S. producers to describe the changes their firm anticipates in its production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, or asset values relating to the production of welded stainless steel pipes and pressure tubes in the future if the antidumping duty orders on welded A-312 pipes from Korea and Taiwan were to be revoked. (Question II-16.) The following are quotations from the responses of producers.

***** (Korea and Taiwan)**

***

***** (Korea and Taiwan)**

***

***** (Korea and Taiwan)**

***

***** (Korea and Taiwan)**

***

***** (Korea and Taiwan)**

***

U.S. IMPORTERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION

The Commission requested U.S. importers to describe any changes anticipated in the character of their operations or organization (as noted above) relating to the importation of welded stainless steel pipes and pressure tubes in the future if the antidumping duty orders on welded A-312 pipes from Korea and Taiwan were to be revoked. (Question II-4.) The following are quotations from the responses of importers.

***** (Korea and Taiwan)**

***

***** (Korea and Taiwan)**

***

The Commission requested U.S. importers to describe the significance of the existing antidumping orders covering imports of welded A-312 pipes from Korea and/or Taiwan on theit firm's imports, U.S. shipments of imports, and inventories. (Question II-9.) The following are quotations from the responses of importers.

***** (Korea and Taiwan)**

***

***** (Korea and Taiwan)**

***

***** (Korea)**

***

***** (Taiwan)**

***

***** (Korea)**

***

***** (Taiwan)**

***

***** (Korea and Taiwan)**

***

***** (Korea and Taiwan)**

***

U.S. PURCHASERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION

The Commission requested U.S. purchasers to describe the likely effects of any revocation of the antidumping duty orders for imports of welded A-312 pipes from Korea and/or Taiwan in terms of their effect on their future activities and the U.S. market as a whole. (Question III-35.) The following are quotations from the responses of purchasers.

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FOREIGN PRODUCERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION

The Commission requested foreign producers to describe any changes in the character of their operations or organization relating to the production of welded A-312 pipes in the future if the antidumping duty orders on welded A-312 pipes from Korea and/or Taiwan were to be revoked. (Question II-3.) The following is a quotation from the response of Yeun Chyang.

***

The Commission requested foreign producers to describe any changes in their production capacity, production, home market shipments, exports to the United States and other markets, or inventories relating to the production of welded A-312 pipes in the future if the antidumping duty orders on certain welded stainless steel pipes from Korea and Taiwan were to be revoked. (Question II-16.) The following is a quotation from the response of Yeun Chyang.

***

APPENDIX E

SELECTED COMMENTS REGARDING COMPARABILITY OF WELDED ASTM A-312 PIPES, ASTM A-778 WSS PIPES, AND ANY OTHER (NON-ASTM A-778) WSS PIPES

In a supplemental inquiry to its questionnaires, the Commission requested U.S. producers, U.S. importers, and U.S. purchasers to compare and contrast certain aspects of ASTM-312 WSS pipes and ASTM A-778 WSS pipes,[1] as well as to compare and contrast certain aspects of ASTM-312 WSS pipes and any other (non-ASTM A-778) WSS pipes.[2]

PRODUCERS OF WSS PIPES AND PRESSURE TUBES

Comparison Between ASTM A-312 WSS Pipes and ASTM A-778 Pipes

Characteristics and Uses

***

Uses are similar; it depends on the engineer specifying for the job.

***

Same.

***

Although appearances may be similar, the grain characteristics of A-312 are homogenized while A-778 are not. A-312 is used for forming and is more corrosion resistant than A-778.

***

A-778 pipe is the same as A-312 pipe except that A-778 is not annealed. A-778 is used in pulp and paper applications as well as in waste water applications.

Interchangeability

***

Very interchangeable, but the A-778 weld zone may invite more and rapid corrosion, since it has not been annealed. Therefore, some engineers will not allow A-778 when setting specifications.

***

Interchangeable except for high temperature, very high corrosive, and "re-forming" applications.

---

[1] Companies that did not provide a response to these questions or which indicated a lack of knowledge regarding similarities or differences between the products (e.g., U.S. producers ***) are excluded from this section of the appendix.

[2] Companies that did not provide a response to these questions or which indicated a lack of knowledge regarding similarities or differences between the products (e.g., U.S. producers ***) are excluded from this section of the appendix. Also excluded from this section are companies that did not answer the question as presented (e.g., ***).

***

This greatly depends on the usage. In general, the two are not interchangeable.

***

A-778 pipe is not interchangeable with A-312 pipe except that A-312 can be used in wastewater applications.

Manufacturing Processes

***

We make A-778 on the same equipment we use for A-312, excluding the omitted furnace. Some A-778 is provided with multiple seams as allowed by the specification. Multiple seams requires customer approval on A-312.

***

Same, only difference is A-312 is hydro-tested after an in-line annealing process.

***

A-312 is generally welded, bead conditioned, annealed and pickled, while A-778 is generally welded only.

***

The manufacturing process for A-778 is the same as for A-312, except that A-778 is not annealed. Other than that difference they are produced using the same production inputs, machinery and equipment, and labor.

Channels of Distribution

***

A-312 and A-778 are both sold though distributors. A-312 is a "finished" market stocked at distributors. A-778 is an "as needed" market bought for projects.

***

Same.

***

Both products in our case are predominantly sold through distribution and not to end users.

***

The channels of distribution for A-778 and A-312 are the same.

Price

***

A-778 is ***% cheaper.

***

A-778 averages ***% lower selling prices.

***

A-778 is priced lower than A-312 because there is less work involved to produce A-778. In 2005, A-778 sold for an average of $***/ton, while A-312 sold for $***/ton.

Comparison Between ASTM-312 WSS Pipes and Any Other (non-ASTM A-778) WSS Pipes

Characteristics and Uses

***

A-312, A-778, and A-358 are pipe sizes up to 14", whereas A-249/269 are tube OD specs. Pipe is also a schedule (10S, 40S, 80S) versus tubing which is gauge specified.

***

A-312 pipe is very similar chemically and also in mechanical properties.

***

A-269 tube is not the same ID/OD (or wall thickness) as A-312 pipe.

***

A-778 is welded but not annealed. A-249/269 is welded, bead conditioned, and annealed pressure tubing. A-554 is welded, and sometimes polished, tubing used for ornamental or structural purposes.

***

A-358 is the same as A-312 except that A-358 is welded with filler material, and may require spot or 100% X-rays. A-358 is used in refinery, energy and chemical applications.

***

Other WSS pipes or pressure tubes are similar to A-312, but made to tighter tolerances, made from higher quality strip, and annealed to provide better/restricted characteristics, such as corrosion resistance and mechanical properties.

***

Similar: Same production methods. Differences: A-312 is commodity grades. A-249/269 various grades and requirements for physical properties.

Interchangeability

***

Very little interchangeability between A-312/778 and A-249/269. A-358 can be interchanged somewhat with A-312/778 but it is typically 10% heavier gauge thanA-312/778.

***

A-312 is not interchangeable with typical A-249 tubing due to O.D. and wall thickness specs.

***

None.

***

A-778 cannot be interchanged with other A-249/269 or A-554.

***

A-358 can be used as an upgrade over A-312 pipe.

***

WSS pipe and tube is interchangeable with A-312, as the WSS has A-312 properties plus characteristics that have to be added to A-312 downstream. WSS material meets A-312 specs, but will also meet A-269, A-249, and A-270.

***

Very minimal interchangeability between A-312 and A-249/269, primarily due to OD/wall size specifications.

Manufacturing Processes

***

A-249/269 uses some equipment typically that we do not have, such as bright annealing and cut-to-length at the end of the continuous mills. Adding this equipment would cost us millions of dollars and is necessary to produce cost-competitive A-249/269.

***

The process for the most part would be the same.

***

Same, except A-269 is produced in slower manufacturing speeds (inches/minute).

***

A-778 and A-554 are both annealed, A-778 is usually TIG welded, while A-554 can be high-frequency welded. A-249/269 is annealed and bead conditioned.

***

The manufacturing process for A-358 pipe is the same as for A-312 pipe, except that A-358 pipe is welded with filler material, and may require spot or 100% X-rays.

***

Fundamentally, the manufacturing process is the same and the equipment is the same, just the processing details change.

***

Strip of material is not interchangeable. However, machine and labor is interchangeable for ***.

Channels of Distribution

***

A-312/778 is marketed almost 100% through distributors, whereas A-249/269 is about 50/50 to OEM and distributors. A-358 is typically marketed through distributors.

***

Pipe typically would be sold through service centers, whereas tubing would be sold to both end use customers as well as service centers.

***

A-269 is typically sold through pipe/tube service centers rather than PVF distributors.

***

A-778 and A-554 products are typically sold through distribution, while A-249/269 are sold through either distribution or directly to end users.

***

The channels of distribution for A-358 and A-312 are the same.

***

WSS is similar to A-312 in that most sales are through service center distribution. Some larger OEMs will buy direct and a small portion goes to fabrication shops for additional work.

***

Pipe: Sold through distributors. Others: Sold through distributors and directly to OEM accounts.

Price

***

A-249/269 and A-358 are at least ***% higher priced than A-312/778.

***

Pipe would be sold off a "base price sheet." Tubing is typically inquired and quoted.

***

Not applicable, different OD/wall thickness.

***

A-778 is the lowest priced and easiest to produce (of A-778/554/249). In 2005 sales prices averaged $***/ton for A-778, $***/ton for A-554, and $***/ton for A-249/269.

***

The price for A-358 pipe is higher than the price for A-312 pipe.

***

The price for (all other) WSS (pipes and pressure tubes) is higher than imported A-312 but similar to domestic A-312. Imported A-312 has been substituted for A-249/269/270, powering U.S. sales.

***

A-312 304L ½ sch 40 price is currently $***/ton. A-249 304L 3/4" x 065 price is currently $***/ton.

IMPORTERS OF WSS PIPES AND PRESSURE TUBES

Comparison Between ASTM-312 WSS Pipes and ASTM A-778 WSS Pipes[3]

None.

Comparison Between ASTM-312 WSS Pipes and Any Other (non-ASTM A-778) WSS Pipes[4]

Characteristics and Uses

***

WSS pipe and WSS tube appear similar. Pipe tends to be heavier, thicker-walled. Pipe has special sizes. Tube is lighter, and is always sold by O.D. and wall thickness.

Interchangeability

***

Pipe and tube are not interchangeable because of pipe's unique size regime.

Channels of Distribution

***

Pipe is always sold to distributors. Tube is sold to distributors and also directly to end-users.

Price

***

On a per pound basis, pipe is less expensive than tube.

[3] Companies that did not provide a response to these questions or which indicated a lack of knowledge regarding similarities or differences between the products (e.g., U.S. importers ***) are excluded from this section of the appendix.

[4] Companies that did not provide a response to these questions or which indicated a lack of knowledge regarding similarities or differences between the products (e.g., U.S. importers ***) are excluded from this section of the appendix.

PURCHASERS OF WSS PIPES AND PRESSURE TUBES

Comparison Between ASTM-312 WSS Pipes and ASTM A-778 WSS Pipes[5]

Characteristics and Uses

***

A-312- annealed pipe; A-778 - unannealed pipe. A-312 is more formable due to annealing. A-778 is more susceptible to corrosion due to the heat-effects zone along the weld (annealing addresses this problem).

***

A-778 pipe can only be used in applications less than 800 degrees F. High heat causes intergranular corrosion in the unannealed weld seam in A-778.

***

A-312 vs A-778: Very similar in physical characteristics. A-778 is not annealed, which will limit corrosive applications.

***

A-312 is annealed, which is a heat treatment that recrystallizes the micro-structure of the metal. A-778 is not annealed and therefore is not corrosion-resistant.

***

A-312 is seamless and welded for general service. A-778 is welded, L-grade, un-heat treated for paper mills and other non-critical applications.

***

A-312 and A-778 have basically the same physical characteristics. A-778 does tend to have a "dull" appearance relative to most A-312. A-778 is an unannealed product, where heat treatment is not necessary for corrosion resistence, thus A-312's corrosive resistence is greater.

Interchangeability

***

For size requirement only - not based on application.

[5] Companies that did not provide a response to these questions or which indicated a lack of knowledge regarding similarities or differences between the products (e.g., U.S. purchasers ***) are excluded from this section of the appendix.

***

A-778 can be used in the majority of applications, same as A-312, where the temperature range is low to moderate in the service application (less than 800 F).

***

We are not an end user, but if material needs to be annealed for corrosive applications, A-778 normally will not be used.

***

Normally A-312 can be substituted for A-778 but not the reverse.

***

A-312 can replace A-778, but A-778 can not be substituted for A-312.

***

For low to moderate temperatures and corrosive service where heat treatment is not necessary for corrosive resistence, A-312 and A-778 are interchangeable. Higher temperatures and higher corrosive uses need an annealed product, thus A-312.

Channels of Distribution

***

We are a distributor and buy from a producer.

***

A-778 is used more in paper mill applications, mining, water and waste treatment, PVF. Wholesale and master distribution are the primary distribution channels.

***

We stock A-312 for commercial application resale, but the little amount of A-778 we stock is for a few specific customers.

***

A-312 is used in severe applications where corrosion resistence is important - refining, petrochemical, chemical. A-778 is used in less severe applications like paper mills and corn processing - often because it is less expensive.

***

Both are sold through normal distributors. A-778 is generally paper mill, A-312 is used everywhere.

****

For low to moderate temperatures and corrosive service where heat treatment is not necessary for corrosive resistence, A-312 and A-778 are interchangeable. Higher temperatures and higher corrosive uses need an annealed product, thus A-312.

Price

****

A-778 is a lower price product than A-312, since it does not require an annealing process.

****

A-778 products are generally ***% less expensive than A-312.

****

The price difference is normally only *** percent, which is why there isn't, in my opinion, a strong demand for A-778 product.

****

A-312 is normally around *** percent more expensive than A-778, because of heat treating.

****

A-778 is supposed to be slightly cheaper, but usually very close.

****

A-778 is generally *** percent to *** percent cheaper than it’s A-312 counterpart, where other variables are similar, such as country of origin, time of purchase, etc.

Comparison Between ASTM-312 WSS Pipes and Any Other (non-ASTM A-778) WSS Pipes[6]

Characteristics and Uses

***

A-312, A-249, A-269 - chemistries are the same and all are annealed. A-312 is to pipe dimensions and match up with fittings (A-249 and A-269 are OD and wall).

***

A-312 is produced to pipe sizes only. A-269 is similar but produced to tube sizes (non-pipe sizes); A-249 is like A-269 but requires weld bead to be cold-worked. A-269 and A-249 have tighter dimensional tolerances than A-312.

***

A-358 is a large diameter (with a) spec regarding the weld seam requirements. A-269/270 are instrumentations and heat exchanger tubing specifications. A-312 - General service.

***

A-270/A-249/A-269 are tubing specs and are described by outside diameter and wall.

***

A-312 is pipe, whereas A-249 and A-269 are tubing. There are differences in end uses and dimensional characteristics.

***

A-312 and A-358 may be utilized for the same applications where a welded product is required for high temperature and corrosive service. A-358 can be made to 5 different classifications and filler metal guidelines. A-312 generally has better weld seal tolerance.

Interchangeability

***

A-312 is not used in tubing applications. A-249 and A-269 can be substituted with approval from the user (for ASME, the requirement is A-249).

***

Could be done, but not likely due to pricing differences.

[6] Companies that did not provide a response to these questions or which indicated a lack of knowledge regarding similarities or differences between the products (e.g., U.S. purchasers ***) are excluded from this section of the appendix.

***

Not familiar.

***

They perform similar functions but are not interchangeable.

***

None.

***

If filler metal is allowed in the weld, then A-312 and A-358 can be used for most high temperature and corrosive services.

Channels of Distribution

***

All can be sold through distribution and also sold direct in larger quantities. Fabricators, OEMs, pharmaceuticals, chemical, dairy, brewery, fuel lines.

***

We are a distributor and buy from producers.

***

Distribution channel is Master Distributor/wholesale. A-358 is used for Jet Fuel Service lines.

***

Used in a variety of industries to move liquid and gases.

***

Products are sold either mill direct (if large enough volume) or through service centers.

***

A-312 and A-358 are sold through a variety of channels, master distributor, supply houses, contractors, and mills. A-358 is not commonly stocked by distributors, however.

Price

***

Usually pipe is cheaper per pound than tubing. Heavier weight per foot and pipe is more of a commodity.

***

A-269 and A-249 are higher priced than A-312.

***

A-358 is more expensive than A-312. A-269/270 tubing is more expensive than A-312 pipe.

***

The tubing we sell covers the smaller instrumentation sizes, so there isn't much to compare with A-312 pipe.

***

Price is cheaper than tubing. Price varies upon demand and economic conditions.

***

A-358 is generally more expensive, especially 24" and smaller. A recent example is 36" S10 304/L A-358 class I - $*** per foot, and A-312 $*** per foot - a *** percent difference.