



## FACT SHEET

### **Commerce Finds Unfair Dumping and Subsidization of Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China**

- On January 22, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping (AD) and countervailing duty (CVD) investigations on imports of circular welded austenitic stainless pressure pipe (stainless pressure pipe) from the People's Republic of China (China). Stainless pressure pipe is a commodity product generally used as a conduit for liquids or gasses.
- Dumping occurs when a foreign company sells a product in the United States at less than normal value. Subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce determined that Chinese producers/exporters have sold stainless pressure pipe in the United States from 10.53 to 55.21 percent less than normal value. In addition, Commerce also determined that Chinese producers/exporters have received net countervailable subsidies ranging from 1.10 to 299.16 percent.
- In the AD investigation, Winner Machinery Enterprise Co., Ltd., the sole participating respondent, received a final dumping rate of 55.21 percent. All other Chinese producers/exporters received the China-wide rate of 55.21 percent, except Zhejiang Jiuli Hi-Tech Metals Co., Ltd., which received a separate rate of 10.53 percent.
- The margin for the China-wide entity is based on adverse facts available (AFA). It is Commerce's practice to select, as AFA, the highest margin in the investigation. It is Commerce's practice to select, as AFA, the highest margin in the investigation. In this case, the highest margin is that of the sole respondent, Winner Machinery Enterprise Co., Ltd. Therefore, it is also the China-wide rate.
- In the CVD investigation, Winner Machinery Enterprise Co., Ltd., the sole participating respondent, received a final subsidy rate of 1.10 percent. Froch Enterprise Co. Ltd., received a final subsidy rate of 299.16 percent based on adverse facts available, as this company failed to cooperate. All other Chinese exporters received a final subsidy rate of 1.10 percent.
- As a result of the final AD determination, Commerce will instruct U.S. Customs and Border Protection to continue to suspend liquidation of entries of subject merchandise and to collect a cash deposit or bond based on the final rates. For purposes of countervailing duties, suspension of liquidation will only resume if the U.S. International Trade Commission (ITC) issues an affirmative injury finding and Commerce issues a CVD order.
- The petitioners for these investigations are Bristol Metals, L.P. (TN), Felker Brothers Corporation (WI), Marcegaglia USA, Inc. (PA), Outokumpu Stainless Pipe, Inc. (IL), and the United Steelworkers of America (PA).

- The merchandise covered by these investigations is stainless pressure pipe not greater than 14 inches in outside diameter. This merchandise includes, but is not limited to, the American Society for Testing and Materials (ASTM) A-312 or ASTM A-778 specifications, or comparable domestic or foreign specifications.
- Stainless pressure pipe is classifiable under subheadings 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085 of the Harmonized Tariff Schedule of the United States (HTSUS). It may also enter under HTSUS subheadings 7306.40.1010, 7306.40.1015, 7306.40.5042, 7306.40.5044, 7306.40.5080, and 7306.40.5090. While HTSUS subheadings are provided for convenience and customs purposes, Commerce’s written description of the scope of these investigations is final and conclusive.
- Excluded from the scope are: (1) welded stainless mechanical tubing, meeting ASTM A-554 or comparable domestic or foreign specifications; (2) boiler, heat exchanger, superheater, refining furnace, feedwater heater, and condenser tubing, meeting ASTM A-249, ASTM A-688 or comparable domestic or foreign specifications; and (3) specialized tubing, meeting ASTM A-269, ASTM A-270 or comparable domestic or foreign specifications.

**NEXT STEPS**

- The U.S. International Trade Commission is scheduled to issue its final injury determination on or before March 2.
- If the ITC makes an affirmative determination that imports of stainless pressure pipe from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes a negative injury determination, these investigations will be terminated.

**FINAL DUMPING RATE:**

<b>PRODUCER/EXPORTER</b>		<b>MARGIN</b>
<b>Winner Machinery Enterprise Co., Ltd.</b>	<b>Winner Stainless Steel Tube Co. Ltd.</b>	<b>55.21%</b>
<b>Zhejiang Jiuli Hi-Tech Metals Co., Ltd.*</b>		<b>10.53%</b>
<b>China-Wide Rate</b>		<b>55.21%</b>

\*Separate rate respondent

**FINAL COUNTERAVAILABLE SUBSIDY RATE:**

<b>PRODUCER/EXPORTER</b>	<b>SUBSIDY RATE</b>
<b>Froch Enterprise Co. Ltd.</b>	<b>299.16%</b>
<b>Winner Stainless Steel Tube Co. Ltd.</b>	<b>1.10%</b>
<b>All-Others</b>	<b>1.10%</b>

**CASE CALENDAR:**

<b>EVENT</b>	<b>AD INVESTIGATION</b>	<b>CVD INVESTIGATION</b>
<b>Petition Filed</b>	<b>January 30, 2008</b>	<b>January 30, 2008</b>
<b>DOC Initiation Date</b>	<b>February 19, 2008</b>	<b>February 19, 2008</b>
<b>ITC Preliminary Determination</b>	<b>March 14, 2008</b>	<b>March 14, 2008</b>
<b>DOC Preliminary Determinations</b>	<b>August 27, 2008</b>	<b>June 30, 2008</b>
<b>DOC Final Determinations</b>	<b>January 21, 2009</b>	<b>January 21, 2009</b>
<b>ITC Final Determination*</b>	<b>March 2, 2009</b>	<b>March 2, 2009</b>
<b>Issuance of Order**</b>	<b>March 9, 2009</b>	<b>March 9, 2009</b>

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

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

**IMPORT STATISTICS:**

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

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