



FACT SHEET

Department of Commerce Finds Unfair Dumping and Subsidization of Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the People's Republic of China

- On September 13, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations on imports of Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe (seamless pipe) from the People's Republic of China (China).
- For the purposes of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than fair value. For the purposes of CVD investigations, subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce determined that the Chinese producers/exporters have sold seamless pipe in the United States at margins ranging from 48.99 to 98.74 percent. Commerce also determined that Chinese producers/exporters have received net countervailable subsidies ranging from 13.66 to 53.65 percent.
- In the AD investigation, Chinese mandatory respondents Tianjin Pipe International Economic and Trading Corporation and Tianjin Pipe (Group) Corporation (collectively, TPCO), and Hengyang Steel Tube Group Int'l Trading Inc., Hengyang Valin Steel Tube Co., Ltd., Hengyang Valin MPM Tube Co., Ltd. (collectively "Hengyang") received final dumping rates of 48.99 and 82.03 percent, respectively.
- Five Chinese producers/exporters qualified for a separate rate of 65.51 percent. All other Chinese producers/exporters received the China-wide dumping rate of 98.74 percent.
- In the CVD investigation, Chinese mandatory respondent, TPCO, received a final net subsidy rate of 13.66 percent. The other mandatory respondent, Hengyang, received a final net subsidy rate of 53.65 percent (see list of covered Hengyang companies in Final Subsidy Rate Table below). All other Chinese producers/exporters received a net subsidy rate of 33.66 percent.
- Additionally, in the CVD case, Commerce determined that critical circumstances exist for all producers/exporters of seamless pipe from China except for TPCO. In the AD case, Commerce determined that critical circumstances exist for one of the mandatory respondents, Hengyang, and the China-wide entity.
- Accordingly, in the CVD case, for all producers/exporters of seamless pipe from China except for TPCO, we are directing U.S. Customs and Border Protection (CBP) to apply the suspension of liquidation to any unliquidated entries entered, or withdrawn from warehouse for consumption, on or after December 1, 2009, which is 90 days prior to the date of publication of the preliminary determination notice in the Federal Register. In the AD case, for Hengyang and the China-wide entity, we are directing CBP to apply the suspension of liquidation to any unliquidated entries entered, or withdrawn from warehouse for consumption, on or after

January 28, 2010, which is 90 days prior to the date of publication of the preliminary determination notice in the Federal Register.

- As a result of the final AD determination, Commerce will instruct CBP to collect a cash deposit or bond on imports of seamless pipe based on the final AD rates. Cash deposits of countervailing duties on imports of seamless pipe will not be required unless the U.S. International Trade Commission (ITC) reaches a final determination that the U.S. industry is being injured by imports of seamless pipe from China. This is because the maximum period for the collection of provisional measures in the CVD investigation has expired.
- The petitioners for this investigation are the United States Steel Corporation (PA), V&M Star LP (TX), TMK IPSCO (IL), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (PA).
- The scope of this investigation consists of certain seamless carbon and alloy steel (other than stainless steel) pipes and redraw hollows, less than or equal to 16 inches (406.4 mm) in outside diameter, regardless of wall-thickness, manufacturing process (e.g., hot-finished or cold-drawn), end finish (e.g., plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish (e.g., bare, lacquered or coated). Redraw hollows are any unfinished carbon or alloy steel (other than stainless steel) pipe or “hollow profiles” suitable for cold finishing operations, such as cold drawing, to meet the American Society for Testing and Materials (“ASTM”) or American Petroleum Institute (“API”) specifications referenced below, or comparable specifications. Specifically included within the scope are seamless carbon and alloy steel (other than stainless steel) standard, line, and pressure pipes produced to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-589, ASTM A-795, ASTM A-1024, and the API 5L specifications, or comparable specifications, and meeting the physical parameters described above, regardless of application, with the exception of the exclusion discussed below.
- Specifically excluded from the scope of these investigations are: (1) all pipes meeting aerospace, hydraulic, and bearing tubing specifications; (2) all pipes meeting the chemical requirements of ASTM A-335, whether finished or unfinished; and (3) unattached couplings. Also excluded from the scope of these investigations are all mechanical, boiler, condenser and heat exchange tubing, except when such products conform to the dimensional requirements, i.e., outside diameter and wall thickness of ASTM A-53, ASTM A-106 or API 5L specifications.
- The merchandise covered by these investigations is currently classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) under item numbers: 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the merchandise subject to this scope is dispositive.

- Imports of seamless pipe from China were valued at an estimated \$182.3 million in 2009.

NEXT STEPS

- The ITC is scheduled to issue its final determinations on or about October 25, 2010.
- If the ITC makes affirmative determinations that imports of seamless pipe from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes negative injury determinations, these investigations will be terminated.

FINAL DUMPING RATES:

EXPORTER / PRODUCER	DUMPING RATE
Tianjin Pipe International Economic and Trading Corporation / Tianjin Pipe (Group) Corporation	48.99%
Hengyang Steel Tube Group Int'l Trading, Inc. / Hengyang Valin Steel Tube Co., Ltd., and Hengyang Valin MPM Tube Co., Ltd.	82.03%
SEPARATE RATE COMPANIES	
Xigang Seamless Steel Tube Co., Ltd. / Xigang Seamless Steel Tube Co., Ltd. and Wuxi Seamless Special Pipe Co., Ltd.	65.51%
Jiangyin City Changjiang Steel Pipe Co., Ltd. / Jiangyin City Changjiang Steel Pipe Co., Ltd.	65.51%
Pangang Group Chengdu Iron & Steel Co., Ltd. / Pangang Group Chengdu Iron & Steel Co., Ltd.	65.51%
Yangzhou Lontrin Steel Tube Co., Ltd. / Yangzhou Lontrin Steel Tube Co., Ltd.	65.51%
Yangzhou Chengde Steel Tube Co., Ltd. / Yangzhou Chengde Steel Tube Co., Ltd.	65.51%
China-Wide	98.74%

FINAL SUBSIDY RATES:

PRODUCER/EXPORTER	SUBSIDY RATE
Tianjin Pipe (Group) Corp., Tianjin Pipe Iron Manufacturing Co., Ltd., Tianguan Yuantong Pipe Product Co., Ltd., Tianjin Pipe International Economic and Trading Co., Ltd., and TPCO Charging Development Co., Ltd.	13.66%
Hengyang Steel Tube Group Int'l Trading, Inc., Hengyang Valin Steel Tube Co., Ltd., Hengyang Valin MPM Tube Co., Ltd., Xigang Seamless Steel Tube Co., Ltd., Wuxi Seamless Special Pipe Co., Ltd., Wuxi Resources Steel Making Co., Ltd., Jiangsu Xigang Group Co., Ltd., Hunan Valin Xiangtan Iron & Steel Co., Ltd., Wuxi Sifang Steel Tube Co., Ltd., Hunan Valin Steel Co., Ltd., Hunan Valin Iron & Steel Group Co., Ltd.	53.65%
All Others	33.66%

CASE CALENDAR:

EVENT	AD DEADLINE	CVD DEADLINE
Petition Filed	September 16, 2009	September 16, 2009
DOC Initiation Date	October 6, 2009	October 6, 2009
ITC Preliminary Determination	November 2, 2009	November 2, 2009
DOC Preliminary Determination	April 21, 2010	February 22, 2010
DOC Final Determination	September 10, 2010	September 10, 2010
ITC Final Determination*	October 25, 2010	October 25, 2010
Issuance of Order**	November 1, 2010	November 1, 2010

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

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

IMPORT STATISTICS:

CHINA	2007	2008	2009
Volume (net tons)	213,000	403,000	147,000
Value (US\$)	193,707,000	487,183,000	182,271,000

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070). HTSUS subheadings 7304.10.1020, 7304.10.1030, 7304.1045, 7304.10.1060, 7304.10.5020, and 7304.10.5050 were in effect for subject merchandise for 2006 and are no longer used for subject merchandise. Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise.