

GENERAL INFORMATION, INSTRUCTIONS, AND DEFINITIONS FOR COMMISSION PRODUCER, IMPORTER, AND PURCHASER QUESTIONNAIRES

CERTAIN SEAMLESS CARBON AND ALLOY STEEL STANDARD, LINE, AND PRESSURE PIPE FROM ARGENTINA, BRAZIL, AND GERMANY

Investigation Nos. 731-TA-707-709 (Second Review)

<u>Further information.</u>--If you have any questions concerning the enclosed questionnaire(s) or other matters related to this review, you may contact the following members of the Commission's staff (Fax 202-205-3205):

Joanna Lo, investigator (202-205-1888; E-mail JOANNA.LO@USITC.GOV) regarding general questions and trade and related information;

Justin Jee, auditor (202-205-3186; E-mail JUSTIN.JEE@USITC.GOV) regarding financial information; and

Amelia Preece, economist (202-205-3250; E-mail AMELIA.PREECE@USITC.GOV) regarding pricing, market, and related information.

GENERAL INFORMATION

Background.—On August 3, 1995, the Department of Commerce issued antidumping duty orders on imports of certain seamless carbon and alloy steel standard, line, and pressure pipe from Argentina, Brazil, Germany, and Italy (60 F.R. 39704-39709). On August 8, 1995, the Department of Commerce also issued a countervailing duty order on imports of certain seamless carbon and alloy steel standard, line, and pressure pipe from Italy (60 F.R. 40569). On June 26, 2001, the Commission determined that revocation of the subject orders on the subject merchandise from Argentina, Brazil, and Germany, but not Italy, would be likely to lead to continuation or recurrence of material injury to an industry in the United States (66 F.R. 34717, June 29, 2001), and the orders on Argentina, Brazil, and Germany were continued (66 F.R. 37004, July 16, 2001). On June 1, 2006, the Commission instituted second 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 orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time (71 F.R. 31209). If the Commission makes an affirmative determination, the orders will remain in place. If the Commission makes a negative determination, the Department of Commerce will revoke the orders.

Additional questionnaires will be supplied promptly upon request, or photocopies of the enclosed questionnaire(s) may be used. Address all correspondence to the United States International Trade Commission, Washington, DC 20436. Hearing-impaired individuals can obtain information regarding this review via the Commission's TDD terminal (202-205-1810).

<u>Due date of questionnaire(s)</u>.--Return the completed questionnaire(s) to the United States International Trade Commission by no later than **November 17, 2006**. Although the enclosed postpaid envelope may be used to return the completed questionnaire, use of an overnight mail service may be necessary to ensure that your response actually reaches the Commission by November 17, 2006. If you do not use the enclosed envelope, please make sure the completed questionnaire is sent to the attention of Joanna Lo. **Return only one copy of the completed questionnaire(s), but please keep a copy for your records so that you can refer to it if the Commission staff contacts you with any questions during the course of the reviews.**

<u>Service of questionnaire response(s)</u>.--In the event that your firm is a party to these reviews, you are required to serve a copy of the questionnaire(s), once completed, on parties to the proceeding that are subject to administrative protective order (see 19 CFR § 207.7). A list of such parties is maintained by the Commission's Secretary and may be obtained by calling 202-205-1803. A certificate of service must accompany the copy of the completed questionnaire(s) you submit (see 19 CFR § 207.7).

GENERAL INFORMATION--Continued

<u>Confidentiality</u>.--The commercial and financial data furnished in response to the enclosed questionnaire(s) that reveal the individual operations of your firm will be treated as confidential by the Commission to the extent that such data are not otherwise available to the public and will not be disclosed except as may be required by law (see 19 U.S.C. § 1677f). Such confidential information will not be published in a manner that will reveal the individual operations of your firm; however, nonnumerical characterizations of numerical business proprietary information (such as discussion of trends) will be treated as confidential business information only at the request of the submitter for good cause shown.

<u>Verification</u>.--The information submitted in the enclosed questionnaire(s) is subject to audit and verification by the Commission. To facilitate possible verification of data, please keep all your workpapers and supporting documents used in the preparation of the questionnaire response(s).

Release of information.--The information provided by your firm in response to the questionnaire(s), as well as any other business proprietary information submitted by your firm to the Commission in connection with the review, may become subject to, and released under, the administrative protective order provisions of the Tariff Act of 1930 (19 U.S.C. § 1677f) and section 207.7 of the Commission's Rules of Practice and Procedure (19 CFR § 207.7). This means that certain lawyers and other authorized individuals may temporarily be given access to the information for use in connection with these reviews or other import-injury investigations or reviews conducted by the Commission on the same or similar merchandise; those individuals would be subject to severe penalties if the information were divulged to unauthorized individuals.

INSTRUCTIONS

<u>Answer all questions</u>.--Do not leave any question or section blank unless a questionnaire expressly directs you to skip over certain questions or sections. If the answer to any question is "none," write "none." If information is not readily available from your records in exactly the form requested, furnish carefully prepared estimates--designated as such by the letter "E"--and explain the basis of your estimates. Answers to questions and any necessary comments or explanations should be supplied in the space provided or on separate sheets attached to the appropriate page of the questionnaire(s). If your firm is completing more than one questionnaire in connection with these reviews (i.e., a producer, importer, purchaser, and/or foreign producer questionnaire), you need not respond to duplicated questions in the questionnaires.

INSTRUCTIONS--Continued

<u>Consolidate all U.S. establishments</u>.--Report the requested data for your establishment(s) located in the United States. **Firms operating more than one establishment should combine the data for all establishments into a single report.**

DEFINITIONS

<u>Certain seamless carbon and alloy steel standard, line, and pressure pipe</u>.--The scope of these reviews includes small diameter seamless carbon and alloy steel standard, line and pressure pipes (seamless pipes) produced to the American Society for Testing and Materials ("ASTM") A 335, ASTM A 106, ASTM A 53 and the American Petroleum Institute ("API") 5L specifications and meeting the physical parameters described below, regardless of application. The scope of these reviews also includes all products used in standard, line, or pressure pipe applications and meeting the physical parameters below, regardless of specification.

For purposes of these reviews, seamless pipes are seamless carbon and alloy (other than stainless) steel pipes, of circular cross-section, not more than 114.3 mm (4.5 inches) in outside diameter, regardless of wall thickness, manufacturing process (hot-finished or cold-drawn), end finish (plain end, bevelled end, upset end, threaded, or threaded and coupled), or surface finish. These pipes are commonly known as standard pipe, line pipe, or pressure pipe, depending upon the application. They may also be used in structural applications. Pipes produced in non-standard wall thicknesses are commonly referred to as tubes. The seamless pipes subject to these orders are currently classifiable under subheadings 7304.10.10.20, 7304.10.50.20, 7304.31.60.50, 7304.39.00.16, 7304.39.00.20, 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.51.50.05, 7304.51.50.60, 7304.59.60.00, 7304.59.80.10, 7304.59.80.15, 7304.59.80.20, and 7304.59.80.25 of the Harmonized Tariff Schedule of the United States (HTS).

<u>Carbon steel.</u>—A product of iron and carbon which is malleable as first cast and in which: (1) iron predominates, by weight, over each of the other contained elements, (2) the carbon content is 2 percent or less, and (3) none of the elements listed below is equal to or exceeds the quantity, by weight, respectively indicated:

0.3 percent of aluminum; or

0.0008 percent of boron; or

0.3 percent of chromium; or

0.3 percent of cobalt; or

0.4 percent of copper; or

0.4 percent of lead; or

1.65 percent of manganese; or

0.08 percent of molybdenum; or

DEFINITIONS--Continued

0.3 percent of nickel; or

0.06 percent of niobium; or

0.6 percent of silicon; or

0.05 percent of titanium; or

0.3 percent of tungsten; or

0.1 percent of vanadium; or

0.05 percent of zirconium; or

0.1 percent of other elements (except sulfur, phosphorus, carbon and nitrogen), taken separately

<u>Alloy steel.</u>—Steel containing any of the elements listed in the definition of carbon steel equal to or in excess of its specified quantity except stainless steel (which contains by weight 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements). For the purposes of these reviews, heat resisting steel is included as "alloy steel." Heat-resisting steel is alloy steel which contains by weight less than 0.3 percent of carbon and 4 percent or more but less than 10.5 percent of chromium.

<u>Standard pipe.</u>—Seamless standard pipe is most commonly produced to the ASTM A 53 specification and is generally intended for the low temperature and low pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may carry liquid at elevated temperatures but must not exceed relevant American Society of Mechanical Engineers ("ASME") codes.

<u>Line pipe.</u>—Seamless line pipe is commonly produced to the API 5L specification and is intended for the conveyance of oil and natural gas and other fluids in pipe lines.

<u>Pressure pipe.</u>—Seamless pressure pipe is commonly produced to the ASTM A 106 specification and is intended for the conveyance of water, steam, petrochemicals, chemicals, oil products, natural gas, and other liquids and gases in industrial piping systems. It may carry these substances at elevated pressures and temperatures and may be subject to the application of external heat. (Seamless carbon steel ASTM standard A 106 pressure pipe may be used in temperatures of up to 1,000 degrees Fahrenheit, at various ASME code stress levels. Alloy piping made to ASTM standard A 335 must be used if temperatures and stress levels exceed those allowed for A 106 and ASME codes.)

ASTM A 106 pressure pipe and pipe that is triple certified to ASTM A 106, ASTM A 53, and API 5L specifications are used primarily in pressure piping systems by refineries, petrochemical plants, and chemical plants. They are also used in power generation plants (electrical, fossil fuel, or nuclear), and in some oil field uses (on-shore

DEFINITIONS--Continued

and off-shore) such as for separator lines, gathering lines, and metering runs. A minor application is as oil and gas distribution lines for commercial applications.

All seamless pipe produced to the ASTM A 106, ASTM A 335, ASTM A 53, or API 5L specifications, regardless of application, is included in the subject product. In addition, seamless pipe not produced to one of those four specifications is included if it meets both the above described physical characteristics for certain seamless carbon and alloy steel standard, line, or pressure pipe AND is used for any of the above described applications. (Additional possible specifications include: A 162, A 192, A 210, A 333, and A 524.)

Excluded from these reviews are boiler tubing and mechanical tubing, if such products are not produced to A 335, A 106, A 53 or API 5L specifications and are not used in standard, line or pressure applications. In addition, finished and unfinished OCTG are excluded from these orders, if covered by the scope of another antidumping duty order from the same country. If not covered by such an OCTG order, finished and unfinished OCTG are included in these orders when used in standard, line or pressure applications. Also excluded from these orders are redraw hollows for cold-drawing when used in the production of cold-drawn pipe or tube. Finally, excluded from the scope of the order for Brazil, as a result of a changed circumstances review (63 FR 37338 (July 10, 1998) are glass-lined pressure pipes. OCTG, redraw hollows, and glass-lined pressure pipes are defined as follows:

<u>Oil Country Tubular Goods (OCTG)</u>.—Hollow steel products of circular cross-section, including oil well casing, tubing, and drill pipe, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, whether or not conforming to API or non-API specifications, whether finished or unfinished (including green tubes and limited service OCTG products).

Redraw hollows.--Hot-formed hollow products conforming to the definition of certain carbon and alloy standard, line, or pressure pipe that are used to produce cold-drawn pipe or tube.

Glass-lined pressure pipes.—Seamless pipe that (1) has been cut into lengths of six to 120 inches, (2) has had the inside bore ground to a smooth surface, (3) has had multiple layers of specially formulated corrosion resistant glass permanently baked on at temperatures of 1,440 to 1,700 degrees Fahrenheit in thicknesses from 0.032 to 0.085 inch (40 to 80 mils), and (4) has flanges or other forged stub ends welded on both ends of the pipe. The special corrosion resistant glass referred to in this definition may be glass containing by weight (1) 70 to 80 percent of an oxide of silicone, zirconium, titanium or cerium (Oxide Group RO sub2), (2) 10 to 15 percent of an oxide of sodium, potassium, or lithium (Oxide Group RO), (3) from a trace amount to 5 percent of an oxide of either

DEFINITIONS--Continued

aluminum, cobalt, iron, vanadium, or boron (Oxide Group R sub2 O sub3), or (4) from a trace amount to 5 percent of a fluorine compound in which fluorine replaces the oxygen in any one of the previously listed oxide groups. These glass-lined pressure pipes are commonly manufactured for use in glass-lined equipment systems for processing corrosive or reactive chemicals, including acrylates, alkanolamines, herbicides, pesticides, pharmaceuticals and solvents. The glass-lined pressure pipes subject to the changed circumstances review are currently classifiable under subheadings 7304.39.0020, 7304.39.0024 and 7304.39.0028 of the HTSUS.

<u>Firm</u>.--An individual proprietorship, partnership, joint venture, association, corporation (including any subsidiary corporation), business trust, cooperative, trustee in bankruptcy, or receiver under decree of any court.

Related firm.--A firm that your firm solely or jointly owned, managed, or otherwise controlled; a firm that solely or jointly owned, managed, or otherwise controlled your firm; and/or a firm that was solely or jointly owned, managed, or otherwise controlled by a firm that also solely or jointly owned, managed, or otherwise controlled your firm.

Establishment.--Each facility of a firm in the United States involved in the production, importation, and/or purchase of seamless carbon and alloy steel SLP pipe (as defined above), including auxiliary facilities operated in conjunction with (whether or not physically separate from) such facilities.

<u>United States</u>.--For purposes of these reviews, the 50 States, Puerto Rico, the U.S. Virgin Islands, and the District of Columbia.

<u>U.S. geographic market area</u>.—For purposes of these reviews, the following U.S. geographic market areas are defined below:

<u>Northeast</u>.—Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

<u>Midwest</u>.–Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

<u>Southeast</u>.—Alabama, Delaware, District of Columbia, Florida, Georgia, Kentucky, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

Central Southwest.-Arkansas, Louisiana, Oklahoma, and Texas.

<u>Mountains</u>.—Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming. <u>Pacific Coast</u>.—California, Oregon, and Washington.

Contiguous U.S.—Refers to the largest part of the United States that is delimited by a continuous border. Specifically, this includes 48 states (excluding Alaska and Hawaii) and the District of Columbia.

DEFINITIONS--Continued

<u>Other</u>.—Examples of other U.S. geographic market areas not previously listed may include Alaska, Hawaii, Puerto Rico, and the U.S. Virgin Islands.

<u>Importer</u>.--Any person or firm engaged, either directly or through a parent company or subsidiary, in importing seamless carbon and alloy steel SLP pipe (as defined above) into the United States from a foreign manufacturer or through its selling agent.

<u>Imports</u>.--Those products identified for Customs purposes as <u>imports for consumption</u> for which your firm was the importer of record (i.e., was responsible for paying any import duty) or consignee (i.e., to which the merchandise was first delivered).

Import quantities.--Quantities reported should be net of returns.

Import values.--Values reported should be landed, duty-paid but not including antidumping and/or countervailing duties, at the U.S. port of entry, including ocean freight and insurance costs, brokerage charges, and normal import duties (i.e., including all charges except inland freight in the United States and antidumping and/or countervailing duties).

<u>Purchaser</u>.--Any person or firm engaged, either directly or through a parent company or subsidiary, in purchasing seamless carbon and alloy steel SLP pipe (as defined above) from another firm that produces, imports, or otherwise distributes seamless carbon and alloy steel SLP pipe. A retail firm that is the importer of record may be considered a purchaser.

<u>Purchases</u>.--Purchases from all sources, NOT including direct imports from foreign producers (which should be reported in an importer questionnaire).

Purchase quantities.--Quantities reported should be net of returns.

<u>Purchase values</u>.--Values reported should be net values (i.e., gross purchase values less all discounts, allowances, rebates, and the value of returned goods), delivered to your U.S. receiving point.

<u>Shipments</u>.--Shipments of products produced in or imported by your U.S. establishment(s). Include shipments to the contracting firm of product produced by your firm under a toll agreement.

Shipment quantities.--Quantities reported should be net of returns.

DEFINITIONS--Continued

<u>Shipment values</u>.--Values reported should be net values (i.e., gross sales values less all discounts, allowances, rebates, prepaid freight, and the value of returned goods), f.o.b. your U.S. point of shipment. The value of domestic shipments to the contracting firm under a toll agreement is the conversion fee (including profit).

Types of shipments:

<u>U.S. shipments</u>.--Commercial shipments, internal consumption, and transfers to related firms within the United States.

<u>Commercial shipments</u>.--Shipments, other than internal consumption and transfers to related firms, within the United States.

<u>Internal consumption</u>.--Product consumed internally by your firm.

Transfers to related firms.--Shipments made to related domestic firms.

Export shipments.--Shipments to destinations outside the United States, including shipments to related firms.

Inventories.--Finished goods inventory, not raw materials or work-in-progress.

The following definitions apply only to the PRODUCER QUESTIONNAIRE.

Average production capacity.—The level of production that your establishment(s) could reasonably have expected to attain during the specified periods. Assume normal operating conditions (i.e., using equipment and machinery in place and ready to operate; normal operating levels (hours per week/weeks per year) and time for downtime, maintenance, repair, and cleanup; and a typical or representative product mix).

<u>Toll agreement</u>.--Agreement between two firms whereby the first firm furnishes the raw materials and the second firm uses the raw materials to produce a product that it then returns to the first firm with a charge for processing costs, overhead, etc.

<u>Production</u>.--All production in your U.S. establishment(s), including production consumed internally within your firm and production for another firm under a toll agreement.

<u>PRWs</u>.--Production and related workers, including working supervisors and all nonsupervisory workers (including group leaders and trainees) engaged in fabricating, processing, assembling,

DEFINITIONS--Continued

inspecting, receiving, storage, handling, packing, warehousing, shipping, trucking, hauling, maintenance, repair, janitorial and guard services, product development, auxiliary production for plant's own use (e.g., power plant), recordkeeping, and other services closely associated with the above production operations.

Average number employed.--Add the number of employees, both full-time and part-time, for the 12 pay periods ending closest to the 15th of the month and divide that total by 12. For the January-September periods, calculate similarly and divide by 9.

<u>Hours worked</u>.--Include time paid for sick leave, holidays, and vacation time. Include overtime hours actually worked; do not convert overtime pay to its equivalent in straight-time hours.

<u>Wages paid</u>.--Total wages paid before deductions of any kind (e.g., withholding taxes, old-age and unemployment insurance, group insurance, union dues, bonds, etc.). Include wages paid directly by your firm for overtime, holidays, vacations, and sick leave.

Fiscal year.--The 12-month period between settlement of your firm's financial accounts.

<u>Continued Dumping and Subsidy Offset Act (Byrd Amendment) funds received.</u>--Funds disbursed by the Bureau of Customs and Border Protection under the Continued Dumping and Subsidy Offset Act of 2000 (the "Byrd Amendment"). The Byrd Amendment provides for the annual distribution of the duties collected pursuant to antidumping and countervailing duty orders. The distribution is available to "affected domestic producers for qualifying expenditures."

<u>Purchases other than direct imports</u>.--Purchases from U.S. producers, U.S. importers, and other U.S. sources.