



## FACT SHEET

### Commerce Preliminarily Finds Subsidization of Certain Oil Country Tubular Goods from the People's Republic of China

- On September 9, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty investigation on imports of certain oil country tubular goods (OCTG) from the People's Republic of China (China).
- Subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce preliminarily found that Chinese producers/exporters of OCTG have received net countervailable subsidies ranging from 10.90 to 30.69 percent.
- Mandatory respondents Jiangsu Changbao Steel Tube Co., Ltd., Tianjin Pipe (Group) Co., Wuxi Seamless Pipe Co., Ltd., and Zhejiang Jianli Enterprise Co., Ltd. received preliminary subsidy rates of 24.33, 10.90, 24.92, and 30.69 percent, respectively. All other Chinese producers/exporters received a preliminary subsidy rate of 21.33 percent.
- As a result of this preliminary determination, Commerce will instruct U.S. Customs and Border Protection to collect a cash deposit or bond based on these preliminary rates.
- The petitioners for this investigation are: Maverick Tube Corporation (TX); United States Steel Corporation (PA); TMK IPSCO (IL); V&M Star LP (TX); Wheatland Tube Corp. (PA); Evraz Rocky Mountain Steel (CO); and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC (PA).
- The merchandise covered by this investigation consists of certain oil country tubular goods ("OCTG"), which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute ("API") or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of this investigation also covers OCTG coupling stock.
- Excluded from the scope of this investigation is casing or tubing containing 10.5 percent or more by weight of chromium, drill pipe, unattached couplings and unattached thread protectors.
- The merchandise covered by this investigation is currently classified in the Harmonized Tariff Schedule of the United States ("HTSUS") under item numbers: 7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.31.10, 7304.29.31.20, 7304.29.31.30, 7304.29.31.40, 7304.29.31.50, 7304.29.31.60,

7304.29.31.80, 7304.29.41.10, 7304.29.41.20, 7304.29.41.30, 7304.29.41.40, 7304.29.41.50, 7304.29.41.60, 7304.29.41.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.61.15, 7304.29.61.30, 7304.29.61.45, 7304.29.61.60, 7304.29.61.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.29.10.30, 7306.29.10.90, 7306.29.20.00, 7306.29.31.00, 7306.29.41.00, 7306.29.60.10, 7306.29.60.50, 7306.29.81.10, and 7306.29.81.50.

- The OCTG coupling stock covered by this investigation may also enter under the following HTSUS item numbers: 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.39.00.36, 7304.39.00.40, 7304.39.00.44, 7304.39.00.48, 7304.39.00.52, 7304.39.00.56, 7304.39.00.62, 7304.39.00.68, 7304.39.00.72, 7304.39.00.76, 7304.39.00.80, 7304.59.60.00, , 7304.59.80.15, 7304.59.80.20, 7304.59.80.25, 7304.59.80.30, 7304.59.80.35, 7304.59.80.40, 7304.59.80.45, 7304.59.80.50, 7304.59.80.55, 7304.59.80.60, 7304.59.80.65, 7304.59.80.70, and 7304.59.80.80. While the HTSUS subheadings are provided for convenience and customs purposes, Commerce’s written description of the subject merchandise governs the scope of this investigation.
- From 2006 to 2008, imports of OCTG from China increased 203 percent by volume and were valued at an estimated \$2.6 billion in 2008.

**NEXT STEPS**

- Commerce is currently scheduled to issue its final determination in November 2009.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission makes an affirmative final determination that imports of OCTG from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a countervailing duty order.

**PRELIM SUBSIDY RATES:**

COUNTRY	PRODUCER/EXPORTER	SUBSIDY RATE
CHINA	Jiangsu Changbao Steel Tube Co., Ltd.	24.33%
	Tianjin Pipe (Group) Co.	10.90%
	Wuxi Seamless Pipe Co., Ltd.	24.92%
	Zhejiang Jianli Enterprise Co., Ltd.	30.69%
	All Others	21.33%

**CASE CALENDAR:**

<b>EVENT</b>	<b>DATE</b>
<b>Petitions Filed</b>	<b>April 08, 2009</b>
<b>DOC Initiation Date</b>	<b>April 28, 2009</b>
<b>ITC Preliminary Determination</b>	<b>May 26, 2009</b>
<b>DOC Preliminary Determination</b>	<b>September 8, 2009</b>
<b>DOC Final Determination*</b>	<b>November 23, 2009</b>
<b>ITC Final Determination**</b>	<b>January 7, 2010</b>
<b>Issuance of Order***</b>	<b>January 14, 2010</b>

\* These deadlines may be extended under the governing statute.

\*\* This will take place only in the event of a final affirmative determination by the Department of 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>2006</b>	<b>2007</b>	<b>2008</b>
<b>Quantity (MTs)</b>	<b>657,740</b>	<b>780,831</b>	<b>1,993,609</b>
<b>Value (USD)</b>	<b>\$632,216,941</b>	<b>\$749,631,921</b>	<b>\$2,629,070,303</b>

**Source:** U.S. International Trade Commission, Dataweb (HTSUS 7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.31.10, 7304.29.31.20, 7304.29.31.30, 7304.29.31.40, 7304.29.31.50, 7304.29.31.60, 7304.29.31.80, 7304.29.41.10, 7304.29.41.20, 7304.29.41.30, 7304.29.41.40, 7304.29.41.50, 7304.29.41.60, 7304.29.41.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.61.15, 7304.29.61.30, 7304.29.61.45, 7304.29.61.60, 7304.29.61.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.29.10.30, 7306.29.10.90, 7306.29.20.00, 7306.29.31.00, 7306.29.41.00, 7306.29.60.10, 7306.29.60.50, 7306.29.81.10, and 7306.29.81.50).