



FACT SHEET

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

- On February 24, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation 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 CVD investigations, subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce preliminarily determined that Chinese producers/exporters have received net countervailable subsidies ranging from 11.06 to 12.97 percent.
- Mandatory respondents Hengyang and TPCO received preliminary net subsidy rates of 12.97 and 11.06 percent, respectively. All other Chinese exporters will receive a preliminary net subsidy rate of 12.02 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.
- Additionally, Commerce preliminarily determined that critical circumstances exist for all producers/exporters of seamless pipe from China except for TPCO.
- Accordingly, for all producers/exporters of seamless pipe from China except for TPCO, we are directing CBP to apply the suspension of liquidation to any unliquidated entries entered, or withdrawn from warehouse for consumption, on or after the date 90 days prior to the date of publication of the preliminary determination notice in the Federal Register.
- 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-335, 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 the investigation are unattached couplings.
- The merchandise covered by the investigation 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.
- From 2006 to 2008, imports of seamless pipe from China increased 131.52 percent by volume and were valued at an estimated \$382 million in 2008.

NEXT STEPS

- Commerce is currently scheduled to make its final determination on May 10, 2010.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission makes an affirmative final determination that imports of seamless pipe from China materially injures, or threaten material injury to, the domestic industry, Commerce will issue a countervailing duty order.

PRELIMINARY SUBSIDY RATES:

PRODUCER/EXPORTER	SUBSIDY RATE
<p>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., and Jiangsu Xigang Group Co., Ltd.</p>	<p>12.97%</p>
<p>Tianjin Pipe (Group) Co., 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.</p>	<p>11.06%</p>
<p>All Others</p>	<p>12.02%</p>

CASE CALENDAR:

EVENT	DEADLINE
Petition Filed	September 16, 2009
DOC Initiation Date	October 6, 2009
ITC Preliminary Determination	November 2, 2009
DOC Preliminary Determination	February 22, 2010
DOC Final Determination*	May 10, 2010
ITC Final Determination**	June 22, 2010
Issuance of Order***	June 29, 2010

* This deadline may be extended under the governing statute.

** 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	2006	2007	2008
Volume (net tons)	158,128	172,321	366,091
Value (US\$)	119,623,752	129,955,175	381,881,525

Source: U.S. Department of Commerce, Bureau of Census, Imports for Consumption. According to Petitioners, in order to obtain the best estimates for subject imports, the most appropriate HTSUS categories are: 7304.10.1020, 7304.10.1030, 7304.10.1045, 7304.10.1060, 7304.10.5020, 7304.10.5050, 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0036, 7304.39.0048, 7304.39.0062, 7304.59.8010, 7304.59.8015, 7304.59.8030, 7304.59.8045, and 7304.59.8060.