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Sunset Reviews
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MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Import Administration

FROM: Christian Marsh 
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Final Results of the Expedited First Five-Year (Sunset) Reviews of the Antidumping Duty Orders on Light-Walled Rectangular Pipe and Tube from the Republic of Korea, Mexico, Turkey, and the People's Republic of China

Summary

We have analyzed the substantive responses of the domestic interested parties in the first sunset reviews of the antidumping duty orders covering light-walled rectangular pipe and tube (light-walled pipe and tube) from Mexico, Turkey, the People's Republic of China (PRC), and the Republic of Korea (Korea). We recommend that you approve the positions we have developed in the "Discussion of the Issues" section of this memorandum. Below is the complete list of the issues in these sunset reviews for which we received a substantive response:

1. Likelihood of continuation or recurrence of dumping
2. Magnitude of the margins likely to prevail

History of the Orders

On July 17, 2007, the Department of Commerce (the Department) initiated the antidumping duty investigations of light-walled pipe and tube from Mexico, Turkey, the PRC, and Korea.¹

¹ See *Initiation of Antidumping Duty Investigations: Light-Walled Rectangular Pipe and Tube from Republic of Korea, Mexico, Turkey, and the People's Republic of China*, 72 FR 40274 (July 24, 2007).



Mexico

On June 24, 2008, the Department published its final determination of sales at less than fair value in the antidumping duty investigation of light-walled pipe and tube from Mexico.² On July 28, 2008, the U.S. International Trade Commission (USITC) found that the U.S. industry was materially injured by reason of the subject imports from Mexico pursuant to section 735(b)(1)(A)(i) of the Tariff Act of 1930, as amended (the Act).³ On August 5, 2008, the Department published its antidumping duty order in the *Federal Register* with respect to imports of light-walled pipe and tube from Mexico, at the following rates:⁴

Maquilacero S.A. de C.V	2.40
Productos Laminados de Monterrey S.A. de C.V	5.12
Arco Metal S.A. de C.V	3.76
Hylsa S.A. de C.V.	3.76
Internacional de Aceros S.A. de C.V.	3.76
Perfiles y Herrajes LM, S.A. de C.V.	3.76
Regiomontana de Perfiles y Tubos	3.76
Talleres Acero Rey S.A. de C.V.	3.76
Tuberia Laguna S.A. de C.V.	3.76
Industrias Monterrey S.A. de C.V.	11.50
Nacional de Acero S.A. de C.V.	11.50
PEASA-Productos Especializados de Acero	11.50
Tuberias Aspe	11.50
Tuberias y Derivados S.A. de C.V.	11.50
All Others	3.76

Since issuance of the *Orders*, the Department has completed three administrative reviews of the order on light-walled pipe and tube from Mexico,⁵ and is currently conducting a fourth administrative review for the period August 1, 2011, through July 31, 2012.⁶ The Department

² See *Notice of Final Determination of Sales at Less Than Fair Value: Light-Walled Rectangular Pipe and Tube from Mexico*, 73 FR 35649 (June 24, 2008).

³ See *Light-Walled Rectangular Pipe and Tube from China, Korea, and Mexico*, USITC Pub. 4024, Investigation Nos. 701-TA-449 and 731-TA-1118-1120 (Final) (July 2008) (*ITC Final Report*).

⁴ See *Light-Walled Rectangular Pipe and Tube from Mexico, the People's Republic of China, and the Republic of Korea: Antidumping Duty Orders; Light-Walled Rectangular Pipe and Tube from the Republic of Korea: Notice of Amended Final Determination of Sales at Less Than Fair Value*, 73 FR 45403 (August 5, 2008) (respectively, *Mexico Order*, *PRC Order*, *Korea Order*).

⁵ See *Light-Walled Rectangular Pipe and Tube from Mexico; Final Results of Antidumping Duty Administrative Review*, 76 FR 9547 (February 18, 2011) (*Mexico ADR1*); *Light-Walled Rectangular Pipe and Tube From Mexico: Final Results of Antidumping Duty Administrative Review*, 77 FR 1915 (January 12, 2012) (*Mexico ADR2*); *Light-Walled Rectangular Pipe and Tube From Mexico: Final Results of Antidumping Duty Administrative Review*, 78 FR 1199 (January 8, 2013) (*Mexico ADR3*).

⁶ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 77 FR 59168 (September 26, 2012).

intends to issue the preliminary results of the fourth administrative review on September 3, 2013. In *Mexico ADR1*, the Department calculated weighted-average dumping margins of 3.11 percent for Maquilacero S.A. de C.V. (Maquilacero), 9.15 percent for Regiomontana de Perfiles y Tubos S.A. de C.V. (Regiomontana), and 6.13 percent for several non-selected companies. In *Mexico ADR2*, the Department calculated weighted-average dumping margins of 0.80 percent for Maquilacero and 3.20 percent for Regiomontana. In *Mexico ADR3*, the Department calculated weighted-average dumping margins of 0.00 percent for both Maquilacero and Regiomontana.

The Department has conducted no new shipper reviews and issued no changed circumstances or scope determinations for the *Mexico Order*. Additionally, there have been no duty absorption findings concerning the *Mexico Order* in this time period. The order remains in effect for all producers and exporters of the subject merchandise from Mexico.

Turkey

On April 11, 2008, the Department published its final determination of sales at less than fair value in the antidumping duty investigation of light-walled pipe and tube from Turkey.⁷ Following the issuance of the Department's final determination, on May 23, 2008, the USITC found that the U.S. industry was materially injured by reason of the subject imports from Turkey pursuant to section 735(b)(1)(A)(i) of the Act.⁸ On May 30, 2008, the Department published its antidumping duty order in the *Federal Register* with respect to imports of light-walled pipe and tube from Turkey at the following rates:⁹

Güven Boru Profil Sanayii ve Ticaret Limited Sirketi	41.71
MMZ Onur Boru Profil Üretim San. ve Tic. A.S.	41.71
Anadolu Boru	41.71
Ayata Metal Industry	41.71
Göktas Tube/Göktas Metal	41.71
Kalibre Boru Sanayi ve Ticaret A.S.	41.71
Kerim Çelik Mamulleri İmalat ve Ticaret	41.71
Özgür Boru	41.71
Öztrak Makina ve Elektrik Sanayi	41.71
Seamless Steel Tube and Pipe Co. (Celbor)	41.71
Umran Steel Pipe Inc.	41.71
Yusan Industries, Ltd.	41.71
Borusan Mannesmann Boru	27.04

⁷ See *Notice of Final Determination of Sales at Less Than Fair Value: Light-Walled Rectangular Pipe and Tube from Turkey*, 73 FR 19814 (April 11, 2008).

⁸ See *Light-Walled Rectangular Pipe and Tube from Turkey*, USITC Pub. 4001, Investigation No. 731-TA-1121 (Final) (May 2008).

⁹ See *Notice of Antidumping Duty Order: Light-Walled Rectangular Pipe and Tube from Turkey*, 73 FR 31065 (May 30, 2008) (*Turkey Order*).

Erbosan Erciyas Boru Sanayii ve Ticaret A.S.	27.04
Noksel Celik Boru Sanayi A.S. (aka, Noksel Steel Pipe Co.)	27.04
Ozborsan Boru San. ve Tic. A.S.	27.04
Ozdemir Boru Sanayi ve Ticaret Ltd. Sti.	27.04
Tosçelik Profil ve Sac End. A.S.	27.04
Yucel Boru ve Profil Endustrisi A.S.	27.04
All Others	27.04

Since issuance of the *Turkey Order*, the Department has completed three administrative reviews of light-walled pipe and tube from Turkey and is currently conducting a fourth administrative review for the period May 1, 2012, through April 30, 2013.¹⁰ In *Turkey ADR1*, the Department calculated weighted-average dumping margins of 0.00 percent for Tosçelik Profil ve Sac Endustrisi A.S. and its affiliated exporter Tosyali Dis Ticaret A.S. (collectively, Tosçelik). In *Turkey ADR2*, the Department calculated a weighted-average dumping margin of 0.00 percent for Noksel Celik Boru Sanayi A.S. In *Turkey ADR3*, the Department calculated a weighted-average dumping margin of 0.00 percent for Noksel Celik Boru Sanayi A.S. (also known as Noksel Steel Pipe Co.).

The Department has conducted no new shipper reviews and issued no changed circumstances or scope determinations with regard to the *Turkey Order*. Additionally, there have been no duty absorption findings concerning the *Turkey Order* in this time period. The order remains in effect for all producers and exporters of the subject merchandise from Turkey.

The People's Republic of China

On June 24, 2008, the Department published its final determination of sales at less than fair value in the antidumping duty investigation of light-walled pipe and tube from the PRC.¹¹ On July 28, 2008, the USITC found that the U.S. industry was materially injured by reason of the subject imports from the PRC pursuant to section 735(b)(1)(A)(i) of the Act.¹² On August 5, 2008, the Department published the *PRC Order* in the *Federal Register* with respect to imports of light-walled pipe and tube from the PRC, at the following rates:

¹⁰ See *Light-Walled Rectangular Pipe and Tube from Turkey; Notice of Final Results of Antidumping Duty Administrative Review*, 75 FR 61127 (October 4, 2010) (*Turkey ADR1*); *Light-Walled Rectangular Pipe and Tube from Turkey; Notice of Final Results of Antidumping Duty Administrative Review*, 76 FR 57953 (September 19, 2011) (*Turkey ADR2*); *Light-Walled Rectangular Pipe and Tube from Turkey; Notice of Final Results of Antidumping Duty Administrative Review*, 77 FR 55455 (September 10, 2012) (*Turkey ADR3*); see also *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 78 FR 38924 (June 28, 2013).

¹¹ See *Final Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances, in Part: Light-Walled Rectangular Pipe and Tube from the People's Republic of China*, 73 FR 35652 (June 24, 2008) (*PRC Final Determination*).

¹² See *ITC Final Report*.

Zhangjiagang Zhongyuan Pipe-Making Co., Ltd./ Zhangjiagang Zhongyuan Pipe-Making Co., Ltd.	264.64
Kunshan Lets Win Steel Machinery Co., Ltd./Kunshan Lets Win Steel Machinery Co., Ltd.	249.12
Wuxi Baishun Steel Pipe Co., Ltd./ Wuxi Baishun Steel Pipe Co., Ltd.	249.12
Guangdong Walsall Steel Pipe Industrial Co., Ltd./Guangdong Walsall Steel Pipe Industrial Co., Ltd.	249.12
Wuxi Worldunion Trading Co., Ltd./ Wuxi Hongcheng Bicycle Material Co., Ltd.	249.12
Weifang East Steel Pipe Co., Ltd./Weifang East Steel Pipe Co., Ltd.	249.12
Jiangyin Jianye Metal Products Co., Ltd./Jiangyin Jianye Metal Products Co., Ltd.	249.12
PRC-Wide Rate	264.64

Since issuance of the *PRC Order*, the Department has completed one administrative review of the antidumping duty order on light-walled pipe and tube from the PRC.¹³ As a result of this review, the Sun Group Co., Ltd. (Sun Group), a non-participating party in the less than fair value investigation, was assigned a weighted-average dumping margin of 27.12 percent. A second administrative review of the *PRC Order* was requested by Sun Group and initiated, but Sun Group timely withdrew its request for review. Consequently, the Department rescinded this review.¹⁴

The Department also issued one scope ruling on July 31, 2009, in which the Department ruled that “Secure-Weld Plus” fence posts, which, through a processing intermediary located in Mexico, were manufactured by a Delaware corporation named MMI Products, Inc., were within the scope of the *PRC Order*. The fence posts were produced in the PRC and were found to be of the same specification and characteristics as the subject merchandise described in the scope of the *PRC Order*.¹⁵ Additionally, on August 30, 2012, the Department implemented a Section 129 determination with respect to the *PRC Order*.¹⁶ As a result of this determination, the weighted-average dumping margins from the investigation changed as follows:

¹³ See *Light-Walled Rectangular Pipe and Tube from the People’s Republic of China: Final Results of the 2008-2009 Antidumping Duty Administrative Review*, 75 FR 57456 (September 21, 2010) (*PRC ADRI*).

¹⁴ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 75 FR 60076 (September 29, 2010); see also *Light-Walled Rectangular Pipe and Tube From the People’s Republic of China: Notice of Rescission of Antidumping Duty Administrative Review*, 75 FR 76955 (December 10, 2010).

¹⁵ See Memorandum to John M. Andersen, from Melissa Blackledge, Analyst, titled “Light-Walled Rectangular Pipe and Tube from the People’s Republic of China: Scope Ruling on “Secure-Weld Plus” Fence Posts,” dated July 28, 2009.

¹⁶ See *Implementation of Determinations Under Section 129 of the Uruguay Round Agreements Act: Certain New Pneumatic Off-the-Road Tires; Circular Welded Carbon Quality Steel Pipe; Laminated Woven Sacks; and Light-*

Zhangjiagang Zhongyuan Pipe-Making Co., Ltd./ Zhangjiagang Zhongyuan Pipe-Making Co., Ltd.	255.07
Kunshan Lets Win Steel Machinery Co., Ltd./Kunshan Lets Win Steel Machinery Co., Ltd.	247.90
Wuxi Baishun Steel Pipe Co., Ltd./ Wuxi Baishun Steel Pipe Co., Ltd.	247.90
Guangdong Walsall Steel Pipe Industrial Co., Ltd./Guangdong Walsall Steel Pipe Industrial Co., Ltd.	247.90
Wuxi Worldunion Trading Co., Ltd./ Wuxi Hongcheng Bicycle Material Co., Ltd.	247.90
Weifang East Steel Pipe Co., Ltd./Weifang East Steel Pipe Co., Ltd.	247.90
Jiangyin Jianye Metal Products Co., Ltd./Jiangyin Jianye Metal Products Co., Ltd.	247.90
PRC-Wide Rate	255.07

Otherwise, the Department has conducted no new shipper reviews and issued no changed circumstances determinations for the *PRC Order*. Additionally, there have been no duty absorption findings concerning the light-walled pipe and tube from the PRC antidumping duty order in this time period. The order remains in effect for all producers and exporters of the subject merchandise from the PRC.

Korea

On June 24, 2008, the Department published its final determination of sales at less than fair value in the antidumping duty investigation of light-walled pipe and tube from Korea.¹⁷ On July 28, 2008, the ITC found that the U.S. industry was materially injured by reason of the subject imports from Korea, pursuant to section 735(b)(1)(A)(i) of the Act.¹⁸ On August 5, 2008, the Department published the *Korea Order* in the *Federal Register* with respect to imports of light-walled pipe and tube from Korea, at the following rates:

Dong-A Steel Pipe Co. Ltd.	30.66
HiSteel Co. Ltd.	30.66
Jinbang Steel Co. Ltd.	30.66
Joong Won	30.66

Walled Rectangular Pipe and Tube From the People's Republic of China, 77 FR 52683 (August 30, 2012). See also Memorandum from Christian Marsh, to Paul Piquado, titled "Final Determination: Section 129 Proceeding Pursuant to the WTO Appellate Body's Findings in WTO DS379 Regarding the Antidumping and Countervailing Duty Investigations of Light-Walled Rectangular Pipe and Tube from the People's Republic of China," dated July 31, 2012 (*PRC 129 Determination*).

¹⁷ See *Notice of Final Determination of Sales at Less Than Fair Value: Light-Walled Rectangular Pipe and Tube from the Republic of Korea*, 73 FR 35655.

¹⁸ See *ITC Final Report*.

Miju Steel Mfg. Co., Ltd.	30.66
Yujin Steel Industry Co.	30.66
Ahshin Pipe & Tube	30.66
Han Gyu Rae Steel Co., Ltd.	30.66
Kukje Steel Co., Ltd.	30.66
SeAH Steel Corporation, Ltd.	15.79
All Others	15.79

Since issuance of the *Korea Order*, no administrative reviews have been conducted by the Department nor has any party requested an administrative review of the *Korea Order*. The Department has conducted no new shipper reviews and issued no changed circumstances or scope determinations for the *Korea Order*. Additionally, there have been no duty absorption findings concerning the *Korea Order*. The order remains in effect for all producers and exporters of the subject merchandise from Korea.

Initiation of Sunset Reviews

On April 2, 2013, the Department initiated sunset reviews of the *Mexico Order*, the *Turkey Order*, the *PRC Order*, and the *Korea Order* (collectively, *Orders*), pursuant to section 751(c) of the Act.¹⁹ On April 12, 2013, the Department received notices of intent to participate from the following domestic interested parties: Bull Moose Tube Company, California Steel and Tube, Hannibal Industries, JMC Steel Group, Maruichi American Corporation, Searing Industries, Southland Tube, and Western Tube and Conduit (collectively, the domestic interested parties), within the deadline specified in 19 CFR 351.218(d)(1)(i).²⁰ The domestic interested parties claimed interested party status as U.S. producers of the domestic like product under section 771(9)(C) of the Act.

On May 1, 2013, the Department received substantive responses from the domestic interested parties within the deadline specified in 19 CFR 351.218(d)(3)(i).²¹ Additionally, on April 30, 2013, we received a response to the Department's *Initiation* from the Government of Turkey (GOT), the substance of which concentrated generally on the Turkish market and exports of

¹⁹ See *Initiation of Five-Year ("Sunset") Reviews*, 78 FR 19647 (April 2, 2013) (*Initiation*).

²⁰ See Letters of Intent to Participate from domestic interested parties, to Acting Secretary Rebecca Blank, titled "Light Walled Rectangular Pipe and Tube from Mexico, First Review," "Light Walled Rectangular Pipe and Tube from Turkey, First Review," "Light Walled Rectangular Pipe and Tube from the People's Republic of China, First Review," and "Light Walled Rectangular Pipe and Tube from Korea, First Review," all dated April 12, 2013.

²¹ See Letters from domestic interested parties, to Acting Secretary Rebecca Blank, titled "Light-Walled Rectangular Pipe and Tube from Mexico, First Review: Substantive Response to Notice of Initiation;" "Light-Walled Rectangular Pipe and Tube from Turkey, First Review: Substantive Response to Notice of Initiation;" "Light-Walled Rectangular Pipe and Tube from China, First Review: Substantive Response to Notice of Initiation;" and "Light-Walled Rectangular Pipe and Tube from Korea, First Review: Substantive Response to Notice of Initiation," dated May 1, 2013 (collectively, *Substantive Responses*).

light-walled pipe and tube products.²² Prior to its submission, we informed the GOT that it was welcome to file comments and that any comments received would be analyzed by the Department. We also reminded the GOT that this is a sunset review of multiple antidumping duty orders and, as the GOT is not and was not a producer or exporter of subject merchandise to the United States over the relevant five-year period, we informed the GOT that its response would not constitute an adequate substantive response.²³ Thus, the Department received no substantive responses to the *Initiation* from any respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted expedited sunset reviews of these *Orders*.

Scope of the Orders

The merchandise subject to the orders is certain welded carbon quality light-walled steel pipe and tube, of rectangular (including square) cross section, having a wall thickness of less than 4 mm. The term carbon-quality steel includes both carbon steel and alloy steel which contains only small amounts of alloying elements. Specifically, the term carbon-quality includes products in which none of the elements listed below exceeds the quantity by weight respectively indicated: 1.80 percent of manganese, or 2.25 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.15 percent vanadium, or 0.15 percent of zirconium. The description of carbon-quality is intended to identify carbon-quality products within the scope. The welded carbon-quality rectangular pipe and tube subject to these orders is currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7306.61.50.00 and 7306.61.70.60. While HTSUS subheadings are provided for convenience and Customs purposes, our written description of the scope of the orders is dispositive.

Discussion of the Issues

In accordance with section 751(c)(1) of the Act, the Department conducted these sunset reviews to determine whether revocation of the *Orders* would be likely to lead to continuation or recurrence of dumping. Sections 752(c)(1)(A) and (B) of the Act provide that, in making these determinations, the Department shall consider both the weighted-average dumping margins determined in the investigation and subsequent reviews, and the volume of imports of the subject merchandise for the periods before and after the issuance of the antidumping duty orders. In

²² See Letter from the Directorate of Exports, Ministry of Economy, Republic of Turkey, to the Secretary of Commerce, titled "Substantive Response of the Government of Turkey in the Antidumping Duty 1st Sunset Review Involving Light-Walled Rectangular Pipe and Tube from Turkey," dated April 30, 2013.

²³ See Letter from Angelica Mendoza, Program Manager, to Tarik Sönmez, General Director, Directorate General for Exports, Ministry of Economy, titled "First Sunset Review of the Antidumping Duty Order on Light-Walled Rectangular Pipe and Tube (LWRPT) from Turkey: Time Extension Request for Substantive Responses," dated April 25, 2013.

addition, section 752(c)(3) of the Act provides that the Department shall provide to the USITC the magnitude of the margin of dumping likely to prevail if the orders were revoked.

The Department recently announced it was modifying its practice in sunset reviews such that it will not rely on weighted-average dumping margins that were calculated using the methodology found to be World Trade Organization (WTO)-inconsistent, *i.e.*, zeroing or the denial of offsets.²⁴

In the *Final Modification for Reviews*, the Department stated that it did not anticipate the need to recalculate dumping margins in the “vast majority” of sunset determinations apart from “the most extraordinary circumstances.”²⁵ Rather, the Department explained that it would “limit its reliance to margins determined or applied during the five-year sunset period that were not determined in a manner found to be WTO-inconsistent” and that it “may also rely on past dumping margins that were not affected by the WTO-inconsistent methodology, such as dumping margins recalculated pursuant to Section 129 proceedings, dumping margins determined based on the use of adverse facts available {AFA}, and dumping margins where no offsets were denied because all comparison results were positive.”²⁶

Below we address the comments of the domestic interested parties.

1. Likelihood of Continuation or Recurrence of Dumping

Interested Party Comments:

Domestic interested parties contend that since the issuance of the *Orders*, the respondents have continued to dump the subject merchandise as above *de minimis* margins continue to exist under the *Orders*, despite having reduced the overall volume of their imports to the United States.²⁷ According to domestic interested parties, the historical record supports the conclusion that dumping would be likely to continue or recur upon revocation of these *Orders*.²⁸ Domestic interested parties’ comments specific to the individual countries are summarized below.

Mexico: Domestic interested parties assert that U.S. imports of light-walled pipe and tube from Mexico fell sharply after the imposition of the *Mexico Order* in August 2008, and during the current sunset review period (2008-2012), have fluctuated annually from 60,925 tons to 68,311 tons.²⁹ Domestic interested parties argue this marked decline in imports from Mexico contrasts

²⁴ See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101 (February 14, 2012) (*Final Modification for Reviews*).

²⁵ *Id.* 77 FR at 8103.

²⁶ *Id.*

²⁷ See Substantive Responses at 6-7.

²⁸ *Id.* at 3.

²⁹ *Id.* at 7.

dramatically with the volume of imports in the years preceding the imposition of the *Mexico Order* in 2008.³⁰ They state the volume of imports from Mexico during the three-year period prior to the imposition of the *Mexico Order* (2005 to 2007) averaged 147,375 tons per year, whereas imports averaged just 65,403 tons per year from 2009 through 2012, reflecting a reduction of 56 percent.³¹ Based on this decline and the continued restraining effect of weighted-average dumping margins which were based on partial AFA, domestic interested parties claim it is evident that Mexican producers and exporters cannot ship subject merchandise to the United States without dumping, even in decreased quantities.³²

Turkey: Domestic interested parties argue that imports of subject merchandise from Turkey also declined dramatically following imposition of the *Turkey Order* in May 2008.³³ They state the volume of imports in the three years preceding imposition of the *Turkey Order* averaged 33,660 tons. They further state that in the current sunset review period, subject imports from Turkey decreased to 36 tons in 2009, zero tons in 2010, and then rose to 564 tons in 2011, and 5,921 tons in 2012.³⁴ Domestic interested parties assert that these import volumes, while showing slight increases, continue to be well below the pre-order average of 33,600 tons. They contend that the imposition of the *Turkey Order* clearly had a direct impact on the level of imports from Turkey.³⁵

The PRC: Domestic interested parties claim that the imposition of the *PRC Order* had a highly significant impact on subject import volumes from the PRC.³⁶ Domestic interested parties state that in the three years prior to the imposition of the *PRC Order*, imports of subject merchandise from the PRC averaged 70,159 tons annually. Domestic interested parties also note that subject imports from the PRC dropped precipitously in the current sunset review period, ranging from a minimum of 31 tons to a maximum of 277 tons between 2009 and 2012.³⁷ Domestic interested parties contend that the high margins set in place by the *PRC Order* have deterred PRC exporters from shipping dumped light-walled pipe and tube into the United States.³⁸

Korea: Domestic interested parties argue that imports of subject merchandise from Korea also declined dramatically following imposition of the *Korea Order* in August 2008.³⁹ They state the volume of imports in the year preceding imposition of the *Korea Order* was 14,400 tons.⁴⁰ They further state that in the current sunset review period, subject imports from Korea decreased to 3,321 tons in 2009, 2,251 tons in 2010, and then to zero tons in both 2011 and 2012. Domestic

³⁰ *Id.*

³¹ *Id.*

³² *Id.* at 8.

³³ *Id.* at 3.

³⁴ *Id.* at 7.

³⁵ *Id.*

³⁶ *Id.* at 3.

³⁷ *Id.* at 7.

³⁸ *Id.* at 8.

³⁹ *Id.* at 3.

⁴⁰ Domestic interested parties did not provide Korean import volumes for 2005 or 2006.

interested parties assert that these import volumes, reflect gradual decreases in response to the *Korea Order* and continue to be well below the pre-order volume of 14,400 tons. They contend that the imposition of the *Korea Order* clearly had a direct impact on the level of imports from Korea. Domestic interested parties also contend that Korean producers or exporters have continued to dump subject merchandise in the United States, and that the Department likely would find that they are doing so at higher levels than in the original investigation, if an administrative review were conducted. Based on continued dumping and the noted decrease in subject imports immediately following the imposition of the *Korea Order*, domestic interested parties contend that the Department should find that Korean producers or exporters of light-walled pipe and tube cannot sell in the United States without dumping, and that revocation of the *Korea Order* would result in continued dumping.

Department's Position:

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act, specifically the Statement of Administrative Action (SAA), H.R. Doc. No. 103-316, vol. 1 at 883 (1994) the House Report H. Rep. No. 103-826, pt. 1 (1994) (House Report), and the Senate Report, S. Rep. No. 103-412 (1994) (Senate Report), the Department's determination of likelihood of continuation or recurrence will be made on an order-wide basis for each case.⁴¹ In addition, the Department will normally determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of an order and import volumes for the subject merchandise declined significantly.⁴² With respect to the level of dumping, as noted above, in accordance with the *Final Modification for Reviews*, the Department will not rely on weighted-average dumping margins that were calculated using the WTO-inconsistent methodology. In considering import volumes, pursuant to section 752(c)(1)(B) of the Act, the Department will consider the volume of imports of the subject merchandise for the period before and after the issuance of the antidumping order.

The Department's determination with respect to each order is explained below.

⁴¹ See SAA at 879 and House Report at 56. See also *Refined Brown Aluminum Oxide from the People's Republic of China: Final Results of Expedited Sunset Review*, 74 FR 4138 (January 23, 2009), and the accompanying Issues and Decision Memorandum at Comment 1; *Freshwater Crawfish Tail Meat from the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order*, 73 FR 65832 (November 5, 2008) (*China Crawfish Tail Meat*), and the accompanying Issues and Decision Memorandum at Comment 1.

⁴² See SAA at 889-890, House Report at 63-64, and Senate Report at 52. See also *Certain Frozen Fish Fillets From the Socialist Republic of Vietnam: Notice of Final Results of Expedited Sunset Review of Antidumping Duty Order*, 74 FR 5819 (February 2, 2009), and the accompanying Issues and Decision Memorandum at Comment 1; *China Crawfish Tail Meat*, and the accompanying Issues and Decision Memorandum at Comment 1; and *Folding Gift Boxes from the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 72 FR 16765 (April 5, 2007), and the accompanying Issues and Decision Memorandum at Comment 1.

Mexico: Our review of statistics from the Global Trade Atlas (GTA) import data demonstrates that imports of subject merchandise from Mexico declined substantially since the imposition of the *Mexico Order*. Specifically, the GTA data shows that imports of light-walled pipe and tube from Mexico fluctuated between 68,293 tons and 60,909 tons per year during the period 2009-2012. This is in contrast to pre-order volumes of 116,661 tons and 115,149 tons in 2007 and 2008, respectively.⁴³ In the *Final Modification for Reviews*, the Department noted that “if there are no dumping margins during the five-year sunset period, decreased volumes may provide another basis to determine that dumping is likely to continue or recur if the discipline of the order is removed.”⁴⁴ The decreased volumes support a conclusion that exporters and importers of subject merchandise are declining to enter into some transactions at dumped prices that would have been made prior to the possible application of antidumping duties, and likely would be made again if the possibility of antidumping duties were removed. Therefore, the Department concludes that dumping is likely to continue or recur if the *Mexico Order* were revoked.

Turkey: Our review of statistics from the GTA demonstrates that imports of subject merchandise from Turkey virtually ceased since the imposition of the *Turkey Order*. Specifically, the GTA data indicates that imports of light-walled pipe and tube from Turkey ranged from zero tons to 592 tons per year during the period 2009-2012, averaging 298 tons for the period. In 2007 and 2008, imports of light-walled pipe and tube from Turkey totaled 12,870 tons and zero tons, respectively.⁴⁵ As explained above, in the absence of dumping margins during the five-year sunset period, decreased volumes provide a basis to determine that dumping is likely to continue or recur upon revocation of the *Turkey Order*.⁴⁶ The decreased volumes support a conclusion that exporters and importers of subject merchandise are declining to enter into some transactions at dumped prices that would have been made prior to the possible application of antidumping duties, and likely would be made again if the possibility of antidumping duties were removed. Therefore, the Department concludes that dumping is likely to continue or recur if the *Turkey Order* were revoked.

The PRC: The Department determines that the margin assigned to Sun Group in the first administrative review serves as a basis for finding that dumping would likely continue or recur if the *PRC Order* were revoked.⁴⁷ As stated in the *Final Modification for Reviews*, “if the dumping margins determined in a manner not found to be WTO-inconsistent in these disputes indicate that dumping continued with the discipline of the order in place, those dumping margins alone can form the basis for a determination that dumping will continue or recur if the order were

⁴³ See Memorandum to the File, from Patrick Edwards, Analyst, titled “Import Volumes for the First Sunset Review of the Antidumping Duty Orders on Light-Walled Rectangular Pipe and Tube from the People’s Republic of China, the Republic of Korea, Mexico, and Turkey,” dated July 30, 2013 (Import Volumes Memorandum), at Attachment 1.

⁴⁴ See *Final Modification for Reviews*, 77 FR at 8103.

⁴⁵ See Import Volumes Memorandum at Attachment 1.

⁴⁶ See *Final Modification for Reviews*, 77 FR at 8103.

⁴⁷ See *PRC ADRI*. Sun Group’s margin was not affected by the denial of offsets. See Memorandum to the File, “Analysis for the Final Results of Antidumping Duty Administrative Review of Light-Walled Rectangular Pipe and Tube from the People’s Republic of China: Sun Group Inc.,” dated September 13, 2010.

to be revoked.”⁴⁸ Also, as noted in the SAA, “{i}f companies continue to dump with the discipline of an order in place, it is reasonable to assume that dumping would continue if the discipline were removed.”⁴⁹

Furthermore, our review of statistics from the GTA data demonstrates that imports of subject merchandise from the PRC have diminished significantly from pre-order levels. Specifically, during the period 2009-2012, imports fluctuated between 304 tons and 811 tons annually; these volumes represent a substantial decrease from the 72,221 tons and 1,846 tons, respectively, imported in 2007 and 2008.⁵⁰

Given the continued existence of dumping and the significant decline in import volumes since the issuance of the order, the Department determines that dumping would be likely to continue or recur if the *PRC Order* were revoked.

Korea: Our review of statistics from the GTA demonstrates that imports of subject merchandise from Korea declined substantially since the imposition of the *Korea Order*. Specifically, the GTA data reveal that imports of light-walled pipe and tube from Korea fluctuated in a range between zero tons and 3,329 tons per year during the period 2009-2012. The import volumes in 2007 and 2008 were 15,006 tons and 3,098 tons, respectively.⁵¹ Although there are no dumping margins during the five-year sunset period, decreased volumes lead to the conclusion that dumping is likely to continue or recur if the discipline of the *Korea Order* is removed.⁵² The decreased volumes and the continued existence of above *de minimis* dumping margins for Korean producers (as no administrative reviews have been conducted) support a conclusion that exporters and importers of subject merchandise are declining to enter into some transactions at dumped prices that would have been made prior to the possible application of antidumping duties, and likely would be made again if the possibility of antidumping duties were removed. Therefore, the Department concludes that dumping is likely to continue or recur if the *Korea Order* were revoked.

2. Magnitude of the Margin of Dumping Likely to Prevail

Interested Party Comments

According to domestic interested parties, the SAA and *Policies Regarding the Conduct of Five-year (“Sunset”) Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871, 18873 (April 16, 1998), specify that the Department normally is to select a dumping margin from the original investigation, as that margin is most reflective of respondents’ behavior

⁴⁸ *Id.*

⁴⁹ See SAA at 890.

⁵⁰ See Import Volumes Memorandum at Attachment 1.

⁵¹ *Id.*

⁵² See *Final Modification for Reviews*, 77 FR at 8103.

in the absence of an antidumping duty order.⁵³ Thus, domestic interested parties urge the Department to select the margins from the original investigations of light-walled pipe and tube from Mexico, Turkey, the PRC, and Korea as the margins likely to prevail.

Department's Position:

Normally, the Department will provide to the USITC the company-specific, weighted-average dumping margins from the investigation.⁵⁴ For companies not individually examined, or for companies that did not begin shipping until after the order was issued, the Department normally will provide a rate based on the All Others rate from the investigation.⁵⁵ However, for the PRC, which the Department considers to be a non-market economy under section 771(18)(A) of the Act, the Department does not have an All Others rate. Thus, in non-market economy cases, instead of an All Others rate, the Department uses separate rates for non-examined respondents as well as a country-wide rate which applies to all exporters that have not established their eligibility for a separate rate.⁵⁶

The Department's preference for selecting a rate from the investigation is based on the fact that it is the only calculated rate that reflects the behavior of producers or exporters without the discipline of an order or suspension agreement in place.⁵⁷ Under certain circumstances, however, the Department may select a more recent rate to report to the USITC.

As noted above, in these sunset reviews, the Department has relied upon weighted-average dumping margins that were not affected by the WTO-inconsistent methodology, *i.e.*, zeroing, because the final weighted-average dumping margins calculated in the original light-walled pipe and tube investigations were not affected by zeroing. Rather, per our change in practice, where comparisons resulted in negative comparison results, offsets were granted.⁵⁸ Thus, the Department finds it appropriate to report to the USITC the rates from the original investigation, in accordance with our normal practice, as the magnitudes of the margins of dumping likely to prevail because they are WTO-consistent rates that best reflect the behavior of the producers and exporters subject to the *Orders* without the discipline of the *Orders* in place.⁵⁹

⁵³ See Substantive Responses at 6.

⁵⁴ See *Eveready Battery Co., Inc. v. United States*, 77 F. Supp. 2d 1327, 1333 (Ct. Int'l Trade 1999).

⁵⁵ See, *e.g.*, *Certain Hot-Rolled Carbon Steel Flat Products from Argentina, the People's Republic of China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine; Final Results of Expedited Sunset Reviews of the Antidumping Duty Orders*, 71 FR 70506 (December 5, 2006), and accompanying Issues and Decision Memorandum at Comment 2.

⁵⁶ See *Bristol Metals L.P. et al. v. United States*, 703 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2010) (citation omitted); see also *Amanda Foods (Vietnam) Ltd. v. United States*, 647 F. Supp. 2d 1368, 1379 (Ct. Int'l Trade 2009) (citation omitted).

⁵⁷ See *Eveready Battery*, 77 F. Supp. 2d at 1333; see also SAA at 890.

⁵⁸ See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin During an Antidumping Investigation; Final Modification*, 71 FR 77722 (December 27, 2006).

⁵⁹ As noted above, the findings from *PRC Final Determination* were challenged, and the weighted-average dumping margins for all respondents under the *PRC Order* were subsequently revised by the *PRC 129 Determination*.

Final Results of Sunset Reviews

As a result of these reviews, the Department determines that revocation of the *Orders* would be likely to lead to continuation or recurrence of dumping, and the magnitudes of the margins of dumping likely to prevail are the following rates:

MEXICO (A-201-836)

Manufacturers/Exporters	Rate (percent)
Maquilacero S.A. de C.V	2.40
Productos Laminados de Monterrey S.A. de C.V	5.12
Arco Metal S.A. de C.V	3.76
Hylsa S.A. de C.V.	3.76
Internacional de Aceros S.A. de C.V.	3.76
Perfiles y Herrajes LM, S.A. de C.V.	3.76
Regiomontana de Perfiles y Tubos	3.76
Talleres Acero Rey S.A. de C.V.	3.76
Tuberia Laguna S.A. de C.V.	3.76
Industrias Monterrey S.A. de C.V.	11.50
Nacional de Acero S.A. de C.V.	11.50
PEASA-Productos Especializados de Acero	11.50
Tuberias Aspe	11.50
Tuberias y Derivados S.A. de C.V.	11.50
All Others	3.76

TURKEY (A-489-815)

Manufacturers/Exporters	Rate (percent)
Güven Boru Profil Sanayii ve Ticaret Limited Sirketi	41.71
MMZ Onur Boru Profil Üretim San. ve Tic. A.S.	41.71
Anadolu Boru	41.71
Ayata Metal Industry	41.71
Göktas Tube/Göktas Metal	41.71
Kalibre Boru Sanayi ve Ticaret A.S.	41.71
Kerim Çelik Mamulleri İmalat ve Ticaret	41.71
Özgür Boru	41.71
Öztrak Makina ve Elektrik Sanayi	41.71
Seamless Steel Tube and Pipe Co. (Celbor)	41.71
Umran Steel Pipe Inc.	41.71
Yusan Industries, Ltd.	41.71
Borusan Mannesmann Boru	27.04
Erbosan Erciyas Boru Sanayii ve Ticaret A.S.	27.04
Noksel Steel Pipe Co.	27.04
Özborsan Boru San. ve Tic. A.S.	27.04
Özdemir Boru Sanayi ve Ticaret Ltd. Sti.	27.04

Tosçelik Profil ve Sac End. A.S.	27.04
Yucel Boru ve Profil Endustrisi A.S.	27.04
All Others	27.04

PEOPLE'S REPUBLIC OF CHINA (A-570-914)

Manufacturers/Exporters	Rate (percent)
Zhangjiagang Zhongyuan Pipe-Making Co., Ltd.	255.07
Kunshan Lets Win Steel Machinery Co., Ltd.	247.90
Wuxi Baishun Steel Pipe Co., Ltd.	247.90
Guangdong Walsall Steel Pipe Industrial Co., Ltd.	247.90
Wuxi Worldunion Trading Co., Ltd.	247.90
Weifang East Steel Pipe Co., Ltd.	247.90
Jiangyin Jianye Metal Products Co., Ltd.	247.90
PRC-Wide Rate.	255.07

REPUBLIC OF KOREA (A-580-859)

Manufacturers/Exporters	Rate (percent)
Dong-A Steel Pipe Co. Ltd.	30.66
HiSteel Co. Ltd.	30.66
Jinbang Steel Co. Ltd.	30.66
Joong Won	30.66
Miju Steel Mfg. Co., Ltd.	30.66
Yujin Steel Industry Co.	30.66
Ahshin Pipe & Tube	30.66
Han Gyu Rae Steel Co., Ltd.	30.66
Kukje Steel Co., Ltd.	30.66
SeAH Steel Corporation, Ltd.	15.79
All Others ⁶⁰	15.79

⁶⁰ Nexteel Co., Ltd. was excluded from the *Korea Order* as it received a *de minimis* dumping margin in the original investigation.

Recommendation

Based on our analysis of the substantive responses received, we recommend adopting all of the above positions. If these recommendations are accepted, we will publish the final results of these expedited sunset reviews in the *Federal Register*, and notify the USITC of our determinations.

AGREE ✓

DISAGREE _____

Paul Piquado
Paul Piquado
Assistant Secretary
for Import Administration

30 July 2017
Date