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DEPARTMENT OF COMMERCE
International Trade Administration
[C-533-858, C-489-817]

Certain Oil Country Tubular Goods from India and Turkey: Initiation of Countervailing Duty Investigations

AGENCY: Import Administration, International Trade Administration, Department of Commerce

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*.]

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SUPPLEMENTARY INFORMATION

The Petitions

On July 2, 2013, the Department of Commerce (“the Department”) received countervailing duty (“CVD”) petitions concerning imports of certain oil country tubular goods (“OCTG”) from India and the Republic of Turkey (“Turkey”), filed in proper form on behalf of United States Steel Corporation, Vallourec Star L.P., TMK IPSCO, Energex (division of JMC Steel Group), Northwest Pipe Company, Tejas Tubular Products, Welded Tube Company, Boomerang Tube LLC, and Maverick Tube Corporation (collectively, “the petitioners”). The CVD petitions were accompanied by nine antidumping duty (AD) petitions.¹ The petitioners are domestic producers of OCTG. On July 8, 2013, the Department requested information and

¹ See Petitions for the Imposition of Antidumping Duties on Imports of Certain Oil Country Tubular Goods from India, the Republic of Korea, the Republic of the Philippines, Saudi Arabia, Taiwan, Thailand, the Republic of Turkey, Ukraine, and the Socialist Republic of Vietnam and Countervailing Duties on Imports of Certain Oil Country Tubular Goods from India and the Republic of Turkey, dated July 2, 2013 (Petitions). Neither Maverick Tube Corporation nor Vallourec Star L.P. is participating in the petition against Saudi Arabia.

clarification for certain areas of the Petitions.² The petitioners filed responses to these requests on July 12, 2013,³ July 15, 2013,⁴ and July 16, 2013.⁵

In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (“the Act”), the petitioners allege that the Governments of India and Turkey are providing countervailable subsidies (within the meaning of sections 701 and 771(5) of the Act) to imports of certain OCTG from India and Turkey, and that such imports are materially injuring, and threaten to further cause material injury to, the domestic industry producing OCTG in the United States pursuant to section 701 of the Act. The Department finds that the petitioners filed the Petitions on behalf of the domestic industry because the petitioners are interested parties as defined in section 771(9)(C) of the Act, and that the petitioners have demonstrated sufficient industry support with respect to the initiation of the investigations the petitioners are requesting.⁶

Period of Investigations

The period of the investigations is January 1, 2012, through December 31, 2012.

Scope of Investigations

The product covered by these CVD investigations is certain OCTG from India and Turkey. For a full description of the scope of these investigations, *see* the “Scope of Investigations” in Appendix I to this notice.

Comments on Scope of Investigations

During our review of the petitions, the Department issued questions to, and received

² *See* Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Certain Oil Country Tubular Goods from India and the Republic of Turkey and Antidumping Duties on Imports of Certain Oil Country Tubular Goods from the Republic of Korea, the Republic of the Philippines, Saudi Arabia, Taiwan, Thailand, Ukraine, and the Socialist Republic of Vietnam: Supplemental Questions, dated July 8, 2013.

³ *See* General Issues Supplement to the Petitions, dated July 12, 2013 (General Issues Supplement) and Turkey Supplement to the CVD Petition, dated July 12, 2013.

⁴ *See* Turkey Supplement to the CVD Petition, dated July 15, 2013.

⁵ *See* India Supplement to the CVD Petition, dated July 16, 2013.

⁶ *See* “Determination of Industry Support for the Petitions” below.

responses from, the petitioners pertaining to the proposed scope to ensure that the scope language in the Petitions would be an accurate reflection of the products for which the domestic industry is seeking relief. As discussed in the preamble to the regulations,⁷ we are setting aside a period for interested parties to raise issues regarding product coverage. The Department encourages interested parties to submit such comments by 5:00 p.m. EST on August 12, 2013.⁸ All comments must be filed on the records of the India and Turkey CVD investigations, as well as the concurrent India, Korea, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam AD investigations.

Filing Requirements

All submissions to the Department must be filed electronically using Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System ("IA ACCESS"). An electronically filed document must be received successfully in its entirety by the time and date noted above. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with the Import Administration's APO/Dockets Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230, and stamped with the date and time of receipt by the deadline noted above.⁹

Consultations

Pursuant to section 702(b)(4)(A)(ii) of the Act, the Department invited representatives of the Government of India ("GOI") and the Government of Turkey ("GOT") for consultations with

⁷ See *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997).

⁸ Twenty calendar days from the signature date of this notice is August 11, 2013, which is a Sunday. Accordingly, we are setting the deadline on the next business day.

⁹ See <http://www.gpo.gov/fdsys/pkg/FR-2011-07-06/pdf/2011-16352.pdf> for details of the Department's Electronic Filing Requirements, which went into effect on August 5, 2011. Information regarding IA ACCESS assistance can be found at <https://iaaccess.trade.gov/help.aspx> and a handbook can be found at <https://iaaccess.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

respect to the Petitions.¹⁰ Consultations were held with the GOT on July 19, 2013.¹¹ All memoranda are on file electronically via IA ACCESS.¹²

Determination of Industry Support for the Petitions

Section 702(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 702(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 702(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the industry.

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The U.S. International Trade Commission (“ITC”), which is responsible for determining whether “the domestic industry” has been injured, must also determine what

¹⁰ See Letter of Invitation Regarding Countervailing Duty Petition on Certain Oil Country Tubular Goods from India, dated July 3, 2013; *see also* Memorandum to the File, “Countervailing Duty Petition on Oil Country Tubular Goods from India: Contact with the Indian Embassy,” dated July 8, 2013. While the Department invited the GOI to consultations, the GOI did not respond. See Letter of Invitation Regarding Countervailing Duty Petition on Certain Oil Country Tubular Goods from the Republic of Turkey, dated July 2, 2013.

¹¹ See Ex-Parte Memorandum, “Consultations with Officials from the Government of the Republic of Turkey on the Countervailing Duty Petition regarding Certain Oil Country Tubular Goods from the Republic of Turkey,” dated July 22, 2013.

¹² See *supra* note 8 for information pertaining to IA ACCESS.

constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product,¹³ they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.¹⁴

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the petitioners do not offer a definition of domestic like product distinct from the scope of the investigations. Based on our analysis of the information submitted on the record, we have determined that OCTG, as defined in the scope of the investigations, constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product.¹⁵

In determining whether the petitioners have standing under section 702(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the “Scope of Investigations” section above. To establish

¹³ See section 771(10) of the Act.

¹⁴ See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff'd* 865 F.2d 240 (Fed. Cir. 1989)).

¹⁵ See Countervailing Duty Investigation Initiation Checklist: Oil Country Tubular Goods from India (“India CVD Initiation Checklist”), at Attachment II, and Countervailing Duty Investigation Initiation Checklist: Oil Country Tubular Goods from the Republic of Turkey (“Turkey CVD Initiation Checklist”), at Attachment II. These checklists are dated concurrently with this notice and on file electronically via IA ACCESS. Access to documents filed via IA ACCESS is also available in the Central Records Unit, Room 7046 of the main Department of Commerce building.

industry support, the petitioners provided their production of the domestic like product in 2012, and compared this to the estimated total production of the domestic like product for the entire domestic industry.¹⁶ The petitioners estimated total 2012 production of the domestic like product using domestic shipment data for the OCTG industry adjusted by the ratio of the petitioners' production to domestic shipments.¹⁷

On July 10, 2013, we received a submission from EVRAZ Rocky Mountain Steel ("Evraz"), a domestic producer of OCTG. In the submission, Evraz states that it supports the AD and CVD petitions on OCTG from India, the Philippines, Saudi Arabia, South Korea, Taiwan, Thailand, Turkey, Ukraine, and Vietnam. In addition, Evraz provided its 2012 production of the domestic like product.¹⁸

We have relied upon data the petitioners and Evraz provided for purposes of measuring industry support.¹⁹

Based on information provided in the Petitions, supplemental submissions, and other information readily available to the Department, we determine that the petitioners have met the statutory criteria for industry support under section 702(c)(4)(A)(i) of the Act for all of the petitions because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product.²⁰ Based on information provided in the Petitions and other submissions, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing

¹⁶ See Volume I of the Petitions, 3-4 and Exhibit I-3.

¹⁷ *Id.*

¹⁸ See Letter from EVRAZ Rocky Mountain Steel, dated July 10, 2013, at 1-2.

¹⁹ See India CVD Initiation Checklist and Turkey CVD Initiation Checklist, at Attachment II.

²⁰ *Id.*

support for, or opposition to, the Petitions. Accordingly, the Department determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 702(b)(1) of the Act.²¹

The Department finds that the petitioners filed the Petitions on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) of the Act and they have demonstrated sufficient industry support with respect to the CVD investigations that they are requesting the Department initiate.²²

Injury Test

Because India and Turkey are “Subsidies Agreement Countries” within the meaning of section 701(b) of the Act, section 701(a)(2) of the Act applies to these investigations.

Accordingly, the ITC must determine whether imports of the subject merchandise from India and Turkey materially injure, or threaten material injury to, a U.S. industry.

Allegations and Evidence of Material Injury and Causation

The petitioners allege that imports of the subject merchandise are benefitting from countervailable subsidies and that such imports are causing, or threaten to cause, material injury to the U.S. industry producing the domestic like product. In addition, the petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act. The petitioners further submit that subject imports from India exceed the negligibility threshold provided under section 771(24)(B) of the Act, which states that in CVD petitions, imports of subject merchandise from developing countries must exceed the negligibility threshold of four percent.²³

²¹ *Id.*

²² *Id.*

²³ See General Issues Supplement, at 7-8 and Exhibit Supp. I-66.

The petitioners contend that the industry's injured condition is illustrated by reduced market share; underselling and price depression or suppression; lost sales and revenues; stunted production, shipments, and capacity utilization; hindered growth in employment-related variables; and decline in financial performance.²⁴ We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation.²⁵

Initiation of Countervailing Duty Investigations

Section 702(b)(1) of the Act requires the Department to initiate a CVD investigation whenever an interested party files a CVD petition on behalf of an industry that: (1) alleges the elements necessary for an imposition of a duty under section 701(a) of the Act; and (2) is accompanied by information reasonably available to the petitioner supporting the allegations. In the Petitions, the petitioners allege that producers of OCTG in India and Turkey benefited from countervailable subsidies bestowed by their respective governments. The Department has examined the Petitions and finds that they comply with the requirements of section 702(b)(1) of the Act. Therefore, in accordance with section 702(b)(1) of the Act, we are initiating CVD investigations to determine whether manufacturers, producers, or exporters of OCTG from India and Turkey receive countervailable subsidies from their respective governments.

India

Based on our review of the Petitions, we find that there is sufficient information to initiate a CVD investigation of 60 alleged programs. For a full discussion of the basis for our

²⁴ See Volume I of the Petitions, at 17-64 and Exhibits I-6 and I-8 through I-54; see also General Issues Supplement, at 8-9.

²⁵ See India CVD Initiation Checklist, at Attachment III; see also Turkey CVD Initiation Checklist, at Attachment III.

decision to initiate or not initiate on each program, *see* India CVD Initiation Checklist.

Turkey

Based on our review of the Petitions, we find that there is sufficient information to initiate a CVD investigation of 16 alleged programs. For three of these programs, however, we find that there is sufficient evidence to initiate on part of the allegation, but not sufficient evidence to initiate on another part of the allegation. For a full discussion of the basis for our decision to initiate or not initiate on each program, *see* Turkey CVD Initiation Checklist.

A public version of the initiation checklist for each investigation is available on IA ACCESS and at <http://ia.ita.doc.gov/ia-highlights-and-news.html>.

Respondent Selection

For these investigations, the Department expects to select respondents based on U.S. Customs and Border Protection (“CBP”) data for U.S. imports of subject merchandise during the period of investigation under the following Harmonized Tariff Schedule of the United States 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.

We intend to release the CBP data under Administrative Protective Order (APO) to all parties with access to information protected by APO shortly after the announcement of these case initiations. Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on the Department's Web site at <http://ia.ita.doc.gov/apo>.

Interested parties may submit comments regarding the CBP data and respondent selection by 5:00 p.m. EST on the seventh calendar day after publication of this notice. Comments must be filed in accordance with the filing requirements stated above. We intend to make our decision regarding respondent selection within 20 days of publication of this notice.

Distribution of Copies of the Petitions

In accordance with section 702(b)(4)(A)(i) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the representatives of the GOI and GOT. Because of the particularly large number of producers/exporters identified in the Petitions, the Department considers the service of the public version of the Petitions to the foreign producers/exporters satisfied by the delivery of the public versions of the Petitions to the GOI and GOT, consistent with 19 CFR 351.203(c)(2).

ITC Notification

We have notified the ITC of our initiation, as required by section 702(d) of the Act.

Preliminary Determinations by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, whether there is a reasonable indication that imports of OCTG from India and Turkey are materially injuring, or threatening material injury to, a U.S. industry.²⁶ A negative ITC determination for any country will result in the investigation being terminated with respect to

²⁶ See section 703(a) of the Act.

that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

Submission of Factual Information

On April 10, 2013, the Department published *Definition of Factual Information and Time Limits for Submission of Factual Information: Final Rule*, 78 FR 21246 (April 10, 2013), which modified two regulations related to AD and CVD proceedings: the definition of factual information (19 CFR 351.102(b)(21)), and the time limits for the submission of factual information (19 CFR 351.301). The final rule identifies five categories of factual information in 19 CFR 351.102(b)(21), which are summarized as follows: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by the Department; and (v) evidence other than factual information described in (i)–(iv). The final rule requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct. The final rule also modified 19 CFR 351.301 so that, rather than providing general time limits, there are specific time limits based on the type of factual information being submitted. These modifications are effective for all proceeding segments initiated on or after May 10, 2013, and thus are applicable to these investigations. Please review the final rule, available at <http://ia.ita.doc.gov/frn/2013/1304frn/2013-08227.txt>, prior to submitting factual information in these investigations.

Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.²⁷ Parties are hereby reminded that revised certification requirements are in effect for company/government officials, as well as their representatives, in all segments of any AD or CVD proceedings initiated on or after March 14, 2011.²⁸ The formats for the revised certifications are provided at the end of the *Interim Final Rule*. Foreign governments and their officials may continue to submit certifications in either the format that was in use prior to the effective date of the *Interim Final Rule*, or in the format provided in the *Interim Final Rule*.²⁹ The Department intends to reject factual information submissions if the submitting party does not comply with the revised certification requirements.

Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, the Department published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in either investigation should ensure that they meet the requirements of these procedures (e.g., the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

²⁷ See section 782(b) of the Act.

²⁸ See *Certification of Factual Information for Import Administration during Antidumping and Countervailing Duty Proceedings: Interim Final Rule*, 76 FR 7491 (February 10, 2011) (*Interim Final Rule*), amending 19 CFR 351.303(g)(1) and (2).

²⁹ See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings: Supplemental Interim Final Rule*, 76 FR 54697 (September 2, 2011).

This notice is issued and published pursuant to section 777(i) of the Act.

Paul Piquado
Assistant Secretary
for Import Administration

Date: July 22, 2013

Appendix I

Scope of the Investigations

The merchandise covered by the investigations is 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 the investigations also covers OCTG coupling stock.

Excluded from the scope of the investigations are: casing or tubing containing 10.5 percent or more by weight of chromium; drill pipe; unattached couplings; and unattached thread protectors.

The merchandise subject to the investigations 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 merchandise subject to the investigations 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, 7304.59.80.80, 7305.31.40.00, 7305.31.60.90, 7306.30.50.55, 7306.30.50.90, 7306.50.50.50, and 7306.50.50.70.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigations is dispositive.