



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

(A-520-807)

Circular Welded Carbon-Quality Steel Pipe From the United Arab Emirates: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) determines that circular welded carbon-quality steel pipe (CWP) from the United Arab Emirates (UAE) is being, or is likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is October 1, 2014, through September 30, 2015. The final dumping margins of sales at LTFV are listed below in the “Final Determination” section of this notice.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Blaine Wiltse or Manuel Rey, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6345 and (202) 482-5518, respectively.

SUPPLEMENTARY INFORMATION:

Background

On June 8, 2016, the Department published the Preliminary Determination.<sup>1</sup> A summary of the events that occurred since the Department published the Preliminary Determination, as

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<sup>1</sup> See Circular Welded Carbon-Quality Steel Pipe From the United Arab Emirates: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination, 81 FR 36881 (June 8, 2016) (Preliminary Determination).

well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum, which is hereby adopted by this notice.<sup>2</sup>

### Scope of the Investigation

The scope of the investigation covers CWP from the UAE. For a complete description of the scope of the investigation, see Appendix I.

### Scope Comments

In the Preliminary Determination, the Department set aside a period of time for parties to address scope issues in case briefs or other written comments on scope issues. No interested parties submitted scope comments in case or rebuttal briefs; therefore, for this final determination, the scope of this investigation remains unchanged from that published in the Preliminary Determination.

### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Issues and Decision Memorandum. A list of the issues raised is attached to this notice as Appendix II. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and it is available to all parties in the Central Records Unit, room B-8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

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<sup>2</sup> See Memorandum to Ronald K. Lorentzen, "Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Circular Welded Carbon-Quality Steel Pipe From the United Arab Emirates," dated concurrently with this notice (Issues and Decision Memorandum).

## Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), in June, July, and August 2016, we conducted verification of the sales and cost information submitted by Ajmal Steel Tubes & Pipes Ind. L.L.C. (Ajmal Steel) and Universal Tube and Plastic Industries, LLC—Jebel Ali Branch, Universal Tube and Pipe Industries, and KHK Scaffolding and Framework LLC (collectively, Universal) for use in our final determination. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by Ajmal Steel and Universal.<sup>3</sup>

## Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations for Ajmal Steel and Universal. For a discussion of these changes, see the Issues and Decision Memorandum.

## All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated all-others rate shall be an amount equal to the weighted-average of the estimated weighted-average dumping margins established for exporters and producers individually investigated excluding any zero or de minimis margins, and margins determined entirely under section 776 of the Act. For the final

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<sup>3</sup> For discussion of our verification findings, see the following memoranda: Memorandum to the File from Blaine Wiltse and Whitley Herndon, entitled “Verification of UTP Pipe USA Corp. and Prime Metal Corp. in the Antidumping Duty Investigation of Circular Welded Carbon-Quality Steel Pipe from the United Arab Emirates,” dated August 17, 2016; see also Memorandum to the File from Blaine Wiltse and E. Whitley Herndon, entitled “Verification of the Sales Response of Universal Tube and Plastic Industries, Ltd. - Jebel Ali Branch in the Antidumping Investigation of Circular Welded Carbon Steel Pipe from United Arab Emirates,” dated August 16, 2016; Memorandum to the File from Blaine Wiltse and E. Whitley Herndon, entitled “Verification of the Sales Response of Dayal Steel Suppliers LLC in the Antidumping Investigation of Circular Welded Carbon Steel Pipe from the United Arab Emirates,” dated August 22, 2016; Memorandum to the File from Dennis McClure and Manuel Rey, entitled “Verification of the Sales Response of Ajmal Steel Tubes & Pipes Ind. L.L.C. in the Antidumping Investigation of Circular Welded Carbon-Quality Steel Pipe from the United Arab Emirates,” dated August 22, 2016; Memorandum to the File from Michael Martin and Christopher Zimpo, entitled “Verification of the Cost Response of Universal in the Antidumping Duty Investigation of Circular Welded Carbon-Quality Steel Pipe from the United Arab Emirates,” dated August 24, 2016; and Memorandum to the File from Christopher J. Zimpo, entitled “Verification of the Cost Response of Ajmal Steel Tubes & Pipes Ind. L.L.C. in the Antidumping Duty Investigation of Circular Welded Carbon Steel Pipe from the United Arab Emirates,” dated August 25, 2016.

determination, the Department calculated the “all others” rate based on a weighted average of Ajmal Steel’s and Universal’s margins using publicly-ranged quantities of their sales of subject merchandise.<sup>4</sup>

Final Determination

The final weighted-average dumping margins are as follows:

Exporter/Manufacturer	Weighted-Average Dumping Margin (percent)
Ajmal Steel Tubes & Pipes Ind. L.L.C.	6.43
Universal Tube and Plastic Industries, LLC—Jebel Ali Branch, Universal Tube and Pipe Industries, and KHK Scaffolding and Framework LLC	5.58
All Others	5.95

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, the Department will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of CWP from UAE, as described in Appendix I of this notice, which were entered, or

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<sup>4</sup> See Memorandum to the File from Whitley Herndon, Analyst, entitled, “Circular Welded Carbon-Quality Steel Pipe From the United Arab Emirates: Calculation of the Final Margin for All Other Companies,” dated July 14, 2016. With two respondents, we normally calculate (A) a weighted-average of the dumping margins calculated for the mandatory respondents; (B) a simple average of the dumping margins calculated for the mandatory respondents; and (C) a weighted-average of the dumping margins calculated for the mandatory respondents using each company’s publicly-ranged values for the merchandise under consideration. We compare (B) and (C) to (A) and select the rate closest to (A) as the most appropriate rate for all other companies. See Ball Bearings and Parts Thereof From France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part, 75 FR 53661, 53663 (September 1, 2010).

withdrawn from warehouse, for consumption on or after June 8, 2016, the date of publication of the preliminary determination of this investigation in the Federal Register.

Further, the Department will instruct CBP to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price as shown above.

#### International Trade Commission (ITC) Notification

In accordance with section 735(d) of the Act, we will notify the ITC of the final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of CWP from UAE no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

#### Notification Regarding Administrative Protective Orders (APO)

This notice serves as a reminder to parties subject to APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

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Ronald K. Lorentzen  
Acting Assistant Secretary  
for Enforcement and Compliance

\_ October 21, 2016 \_\_\_\_\_  
Date

## Appendix I

### Scope of the Investigation

This investigation covers welded carbon-quality steel pipes and tube, of circular cross-section, with an outside diameter (O.D.) not more than nominal 16 inches (406.4 mm), regardless of wall thickness, surface finish (*e.g.*, black, galvanized, or painted), end finish (plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (*e.g.*, American Society for Testing and Materials International (ASTM), proprietary, or other), generally known as standard pipe, fence pipe and tube, sprinkler pipe, and structural pipe (although subject product may also be referred to as mechanical tubing). Specifically, the term “carbon quality” includes products in which:

- (a) iron predominates, by weight, over each of the other contained elements;
- (b) the carbon content is 2 percent or less, by weight; and
- (c) none of the elements listed below exceeds the quantity, by weight, as indicated:
  - (i) 1.80 percent of manganese;
  - (ii) 2.25 percent of silicon;
  - (iii) 1.00 percent of copper;
  - (iv) 0.50 percent of aluminum;
  - (v) 1.25 percent of chromium;
  - (vi) 0.30 percent of cobalt;
  - (vii) 0.40 percent of lead;
  - (viii) 1.25 percent of nickel;
  - (ix) 0.30 percent of tungsten;
  - (x) 0.15 percent of molybdenum;
  - (xi) 0.10 percent of niobium;
  - (xii) 0.41 percent of titanium;
  - (xiii) 0.15 percent of vanadium; or
  - (xiv) 0.15 percent of zirconium.

Covered products are generally made to standard O.D. and wall thickness combinations. Pipe multi-stenciled to a standard and/or structural specification and to other specifications, such as American Petroleum Institute (API) API-5L specification, may also be covered by the scope of these investigations. In particular, such multi-stenciled merchandise is covered when it meets the physical description set forth above, and also has one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50 mm) in outside diameter; has a galvanized and/or painted (*e.g.*, polyester coated) surface finish; or has a threaded and/or coupled end finish.

Standard pipe is ordinarily made to ASTM specifications A53, A135, and A795, but can also be made to other specifications. Structural pipe is made primarily to ASTM specifications A252 and A500. Standard and structural pipe may also be produced to proprietary specifications rather than to industry specifications.

Sprinkler pipe is designed for sprinkler fire suppression systems and may be made to industry specifications such as ASTM A53 or to proprietary specifications.

Fence tubing is included in the scope regardless of certification to a specification listed in the exclusions below, and can also be made to the ASTM A513 specification. Products that meet the physical description set forth above but are made to the following nominal outside diameter and wall thickness combinations, which are recognized by the industry as typical for fence tubing, are included despite being certified to ASTM mechanical tubing specifications:

O.D. in inches (nominal)	Wall thickness in inches (nominal)	Gauge
1.315	0.035	20
1.315	0.047	18
1.315	0.055	17
1.315	0.065	16
1.315	0.072	15
1.315	0.083	14
1.315	0.095	13
1.660	0.055	17
1.660	0.065	16
1.660	0.083	14
1.660	0.095	13
1.660	0.109	12
1.900	0.047	18
1.900	0.055	17
1.900	0.065	16
1.900	0.072	15
1.900	0.095	13
1.900	0.109	12
2.375	0.047	18
2.375	0.055	17
2.375	0.065	16
2.375	0.072	15

2.375	0.095	13
2.375	0.109	12
2.375	0.120	11
2.875	0.109	12
2.875	0.165	8
3.500	0.109	12
3.500	0.165	8
4.000	0.148	9
4.000	0.165	8
4.500	0.203	7

The scope of this investigation does not include:

- (a) pipe suitable for use in boilers, superheaters, heat exchangers, refining furnaces and feedwater heaters, whether or not cold drawn, which are defined by standards such as ASTM A178 or ASTM A192;
- (b) finished electrical conduit, *i.e.*, Electrical Rigid Steel Conduit (also known as Electrical Rigid Metal Conduit and Electrical Rigid Metal Steel Conduit), Finished Electrical Metallic Tubing, and Electrical Intermediate Metal Conduit, which are defined by specifications such as American National Standard (ANSI) C80.1-2005, ANSI C80.3-2005, or ANSI C80.6-2005, and Underwriters Laboratories Inc. (UL) UL-6, UL-797, or UL-1242;
- (c) finished scaffolding, *i.e.*, component parts of final, finished scaffolding that enter the United States unassembled as a “kit.” A kit is understood to mean a packaged combination of component parts that contains, at the time of importation, all of the necessary component parts to fully assemble final, finished scaffolding;
- (d) tube and pipe hollows for redrawing;
- (e) oil country tubular goods produced to API specifications;
- (f) line pipe produced to only API specifications, such as API 5L, and not multi-stenciled; and
- (g) mechanical tubing, whether or not cold-drawn, other than what is included in the above paragraphs.

The products subject to this investigation are currently classifiable in Harmonized Tariff Schedule of the United States (HTSUS) statistical reporting numbers 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5015, 7306.30.5020, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5030, 7306.50.5050, and 7306.50.5070. The HTSUS subheadings above are provided for convenience and U.S. Customs purposes only. The written description of the scope of the investigation is dispositive.

## **Appendix II**

### **List of Topics Discussed in the Issues and Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Investigation
- IV. Margin Calculations
- V. Discussion of the Issues
  1. Management Fees
  2. Weight Basis for Ajmal Steel
  3. Ajmal Steel's Rebate Adjustment
  4. Depreciation on Revalued Assets for Ajmal Steel
  5. General and Administrative and Financial Expenses for Ajmal Steel
  6. Revision of Ajmal Steel's POI Depreciation Analysis
  7. Universal's Level of Trade Adjustment
  8. Credit Expenses for one of Universal's U.S. Customers
  9. U.S. Packing Costs for Universal
  10. Sales to Universal's Affiliated Reseller Al Zaher Building Materials LLC
- VI. Recommendation

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