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DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-881; C-533-882]

Large Diameter Welded Pipe from India: Final Results of Antidumping Duty and Countervailing Duty Changed Circumstances Reviews

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

SUMMARY: On December 18, 2019, the Department of Commerce (Commerce) published a notice of initiation and expedited preliminary results of the changed circumstances reviews (CCR) of the antidumping duty (AD) and countervailing duty (CVD) orders on large diameter welded pipe from India which revoked, in part, these orders as they relate to certain specific large diameter welded pipe products. Commerce has adopted the scope exclusion language in these final results.

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

FOR FURTHER INFORMATION CONTACT: Katherine Johnson or Jaron Moore, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4929 or (202) 482-3640, respectively.

SUPPLEMENTARY INFORMATION:

Background

On March 6, 2019, Commerce published the AD and CVD orders on large diameter

welded pipe from India.¹ On December 18, 2019, in response to a request submitted by members of the domestic industry, including the petitioners from the underlying investigations,² Commerce published the *Initiation and Preliminary Results*,³ in which Commerce preliminarily revoked, in part, the *Orders* with respect to certain large diameter welded pipe products with specific combinations of grades, diameters and wall thicknesses. These products have been incorporated into the exclusion language of the scope, below in bold.

The petitioners, representing “substantially all” of the domestic industry,⁴ demonstrated “good cause” to conduct the CCRs less than 24 months after the date of publication of notices of the final determinations in the investigations.⁵ Specifically, the domestic industry does not currently produce the particular large diameter welded pipe products subject to this partial revocation request, and the investment needed to do so far exceeds the potential benefit of such investment. In addition, the domestic producers provided an explanation indicating that the commercial reality has changed since the *Orders* were put in place.

In the *Initiation and Preliminary Results*, we provided all interested parties an opportunity to comment and to request a public hearing regarding our preliminary findings.⁶ On January 2, 2020, SeAH Steel Corporation (SeAH) commented on the *Initiation and Preliminary*

¹ See *Large Diameter Welded Pipe from India: Antidumping Duty Order*, 84 FR 8079 (March 6, 2019) and *Large Diameter Welded Pipe from India: Countervailing Duty Order*, 84 FR 8085 (March 6, 2019) (*Orders*).

² The companies composing the “domestic industry” are: American Cast Iron Pipe Company; Berg Steel Pipe Corp./Berg Spiral Pipe Corp.; Dura-Bond Industries; Stupp Corporation; (individually and as members of the American Line Pipe Producers Association); Greens Bayou Pipe Mill, LP; JSW Steel (USA) Inc.; Skyline Steel; and Trinity Products LLC (collectively the petitioners in the less-than-fair-value investigation) and Welspun Global Trade LLC.

³ See *Large Diameter Welded Pipe from India: Initiation and Expedited Preliminary Results of Antidumping Duty and Countervailing Duty Changed Circumstances Reviews*, 84 FR 69356 (December 18, 2019) (*Initiation and Preliminary Results*).

⁴ *Id.*, 84 FR at 65357. Commerce has interpreted “substantially all” to mean at least 85 percent of the total production of the domestic like product covered by the order. See, e.g., *Supercalendered Paper from Canada: Final Results of Changed Circumstances Review and Revocation of Countervailing Duty Order*, 83 FR 32268 (July 12, 2018).

⁵ See 19 CFR 351.216(c).

⁶ See *Initiation and Preliminary Results*, 84 FR at 65357.

*Results.*⁷ The domestic industry submitted rebuttal comments on January 9, 2020.⁸

Scope of the *Orders*

The merchandise covered by these *Orders* is welded carbon and alloy steel line pipe (other than stainless steel pipe), more than 406.4 mm (16 inches) in nominal outside diameter (large diameter welded line pipe), regardless of wall thickness, length, surface finish, grade, end finish, or stenciling. Large diameter welded pipe may be used to transport oil, gas, slurry, steam, or other fluids, liquids, or gases.

Large diameter welded line pipe is used to transport oil, gas, or natural gas liquids and is normally produced to the American Petroleum Institute (API) specification 5L. Large diameter welded line pipe can be produced to comparable foreign specifications, grades and/or standards or to proprietary specifications, grades and/or standards, or can be non-graded material. All line pipe meeting the physical description set forth above, including any dual- or multiple-certified/stenciled pipe with an API (or comparable) welded line pipe certification/stencil, is covered by the scope of the *Orders*.

Subject merchandise also includes large diameter welded line pipe that has been further processed in a third country, including but not limited to coating, painting, notching, beveling, cutting, punching, welding, or any other processing that would not otherwise remove the merchandise from the scope of the *Orders* if performed in the country of manufacture of the in-scope large diameter welded line pipe.

Excluded from the scope of the *Orders* is structural pipe, which is produced only to American Society for Testing and Materials (ASTM) standards A500, A252, or A53, or other

⁷ See SeAH's Letter, "Changed Circumstances Review of Antidumping and Countervailing Duty Orders on Large Diameter Welded Pipe from India – Comments on Preliminary Results of Review," dated January 2, 2020 (SeAH Comments).

⁸ See the Domestic Industry's Letter, "Large Diameter Welded Pipe from India: Response to SeAH's Comments on Preliminary Results of Review," dated January 9, 2020 (Petitioners' Rebuttal Comments).

relevant domestic specifications, or comparable foreign specifications, grades and/or standards or to proprietary specifications, grades and/or standards. Also excluded is large diameter welded pipe produced only to specifications of the American Water Works Association (AWWA) for water and sewage pipe. Also excluded is large diameter welded pipe in the following combinations of grades, outside diameters, and wall thicknesses:

- Grade X60, X65, or X70, 18 inches outside diameter, 0.688 inches or greater wall thickness;
- Grade X60, X65, or X70, 20 inches outside diameter, 0.688 inches or greater wall thickness;
- Grade X60, X65, X70, or X80, 22 inches outside diameter, 0.750 inches or greater wall thickness; and
- Grade X60, X65, or X70, 24 inches outside diameter, 0.750 inches or greater wall thickness.

The large diameter welded line pipe that is subject to these *Orders* is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, and 7305.19.5000. Merchandise currently classifiable under subheadings 7305.31.4000, 7305.31.6090, 7305.39.1000 and 7305.39.5000 and that otherwise meets the above scope language is also covered. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these *Orders* is dispositive.

Final Results of CCRs

In its comments, SeAH argues that if Commerce modifies the scope of the *Orders*, it must do so with respect to all of the orders on large diameter welded pipe from countries that resulted from the investigations that were included in the International Trade Commission's

(ITC) cumulated injury analysis. Specifically, in order to maintain the integrity of its proceedings, Commerce must modify the scope of the orders on Canada, China, Greece, Korea, and Turkey in addition to the India orders.⁹ SeAH also argues that it is possible that the ITC might have made a negative injury determination for Canada, Korea and Turkey if the imports of the products at issue had not been considered in its cumulative analysis.

Finally, SeAH also asserts that, in order to maintain the integrity of its proceedings, Commerce cannot allow the domestic industry to select which of the various AD and CVD orders will have an exclusion and which of the orders will not. SeAH argues that one of the U.S. producers now seeks to exclude imports from a foreign affiliate whose AD and CVD cash deposit rates are based on adverse facts available, but not from other producers in other countries covered by the petitions. The domestic industry's request "raises serious questions of unlawful anticompetitive intent."¹⁰

In its comments, the domestic industry argues that SeAH has no evidence to support its claim that the ITC may have made a different injury determination had the products at issue not been considered in the ITC's cumulated injury analysis. The domestic industry argues that whenever Commerce narrows the scope of an order, there is necessarily a product removed from the scope that could have been considered by the ITC in its injury analysis.¹¹ The domestic industry argues that the statute and regulations give Commerce the authority to revoke an order in part based on changed circumstances when it concludes that the domestic producers accounting for substantially all of the production of the domestic like product express a lack of

⁹ See SeAH Comments at 2 (citing *Large Diameter Welded Pipe from China and India, Investigation Nos. 701-TA-593 and 594 and 731-TA-1402 and 1404 (Final)*, USITC Pub. 4859 (January 2019), and *Large Diameter Welded Pipe from Canada, Greece, Korea, and Turkey, Investigation Nos. 701-TA-595-596 and 731-TA-1401, 1403, 1405-1406 (Final)*, USITC Pub. 4883 (April 2019)).

¹⁰ *Id.* at 4.

¹¹ See Petitioners' Rebuttal Comments at 3.

interest in part of the order.¹² Finally, the domestic producers argue that the scope exclusion is extremely narrow and the merchandise at issue accounts for a very small portion of the U.S. market and is not produced in the United States. Therefore, LDWP from India, including that produced by the Indian affiliate of one of the U.S. producers, will still be subject to AD and CVD duties in the vast majority of the U.S. market.¹³

Section 751(b) authorizes Commerce to modify the scopes of AD and CVD orders only for those orders in which we conduct a CCR.¹⁴ Further, 19 CFR 351.216(c) requires that “good cause” exists when it conducts a CCR within 24 months of the publication of a final determination of an investigation. In the *Initiation and Preliminary Results*, Commerce found that “good cause” existed to initiate these CCRs.¹⁵

These CCRs pertain to the India large diameter pipe orders. SeAH’s comments referencing the other large diameter pipe orders are beyond the scope of these CCRs. Further, with respect to SeAH’s argument that Commerce cannot allow the domestic producers to select which of the countries covered by the orders will have an exclusion and which will not, Commerce has the authority to revoke an order in part based on changed circumstances if it concludes that the domestic producers accounting for substantially all of the production of the domestic like product express a lack of interest in part of the order.¹⁶ In these CCRs, the ten domestic producers which requested the CCRs represent substantially all of the production of the

¹² *Id.* at 3.

¹³ *Id.* at 3-4.

¹⁴ See *Carbon and Alloy Steel Wire Rod from the Republic of Korea: Final Results of Antidumping Duty Changed Circumstances Review*, 84 FR 13888 (April 8, 2019)(*Carbon and Alloy Steel Wire Rod from Korea*); see also *Certain Steel Nails from the People’s Republic of China: Final Results of Antidumping Duty Changed Circumstances Review*, 84 FR 49508 (September 20, 2019).

¹⁵ See *Initiation and Preliminary Results*, 84 FR at 69357.

¹⁶ See *Carbon and Alloy Steel Wire Rod from Korea (2019)*; see also *Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, From the People’s Republic of China: Final Results of the Changed Circumstances Review*, 81 FR 9427 (February 25, 2016).

domestic like product covered by these *Orders*, and have stated that they are no longer interested in the merchandise at issue being covered by the *Orders*.¹⁷ There is no information on the record to contradict the domestic industry’s claim. SeAH’s argument that the ITC may have made a negative injury determination if the products at issue were not included in its cumulated injury analysis is immaterial to these CCRs. Therefore, for the reasons stated in the *Initiation and Preliminary Results*, Commerce continues to find that it is appropriate to revoke the *Orders*, in part, with respect to certain large diameter welded pipe products with specific combinations of grades, diameters and wall thicknesses, as reflected in the “Scope of the Orders” section of this notice.

Notification to Interested Parties

We are issuing this determination and publishing these final results and notice in accordance with sections 751(b)(1) and 777(i)(1) and (2) of the Act and 19 CFR 351.216(e), 351.221(b), and 351.221(c)(3).

Dated: April 30, 2020.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

¹⁷ See the Domestic Industry’s Letter, “Large Diameter Welded Pipe from India: Petitioner’s Request for Changed Circumstances Review and Partial Revocation,” dated October 18, 2019.

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