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DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-897, C-580-898]

Large Diameter Welded Pipe from the Republic of Korea: Initiation and Expedited Preliminary Results of Antidumping Duty and Countervailing Duty Changed Circumstances Reviews

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

SUMMARY: The Department of Commerce (Commerce) is initiating and issuing expedited preliminary results of changed circumstances reviews (CCR) of the antidumping duty (AD) and countervailing duty (CVD) orders on large diameter welded pipe from the Republic of Korea (Korea).

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Katherine Johnson or Sergio Balbontin, 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) 482-6478, respectively.

SUPPLEMENTARY INFORMATION:

Background

On May 2, 2019, Commerce published the AD and CVD orders on large diameter welded pipe from Korea.<sup>1</sup> On June 11, 2020,<sup>2</sup> SeAH Steel Corporation (SeAH), a Korean producer of

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<sup>1</sup> See *Large Diameter Welded Pipe from Korea: Amended Final Affirmative Antidumping Determination and Antidumping Duty Order*, 84 FR 18767 (May 2, 2019); and *Large Diameter Welded Pipe from the Republic of Korea: Countervailing Duty Order*, 84 FR 18773 (May 2, 2019) (collectively, *Orders*).

<sup>2</sup> This request was originally filed on the record of the investigation on May 7, 2020, without any of the attachments referenced therein. It was refiled on June 11, 2020, on the correct segment and with the referenced attachments included.

large diameter welded pipe, requested that Commerce initiate CCRs to revoke, in part, the AD and CVD orders on large diameter welded pipe from Korea with respect to certain large diameter welded pipe products within four specific groups of grades, outside diameters, and wall thicknesses.<sup>3</sup> In its June 11 CCR Request, SeAH included as attachments the CCR requests filed in the companion India AD and CVD proceedings by nine members of the domestic industry, including the petitioners in the underlying investigations (individually and as members of the American Line Pipe Producers Association) and Welspun Global Trade LLC.<sup>4</sup> In those CCR requests, the domestic industry requested that Commerce initiate CCRs to revoke, in part, the AD and CVD orders on large diameter welded pipe from India, with respect to certain large diameter welded pipe products within four specific groups of grades, outside diameters, and wall thicknesses.

In its June 11 CCR Request, SeAH states that Commerce recently made determinations to revoke, in part, the AD and CVD orders on large diameter welded pipe from India and the AD order on large diameter welded pipe from Greece for these same four product groups. SeAH argues that because the domestic industry has expressed “no interest” in these four product groups from India, the domestic industry’s statement should apply equally to the AD and CVD orders on Korea. According to SeAH, the AD and CVD orders for India and the AD order for Greece, as well as the AD and CVD orders for Korea, were the result of the same set of original January 17, 2018, petitions,<sup>5</sup> each of which included the four product groups in which the

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<sup>3</sup> See SeAH’s Letter, “Large Diameter Welded Pipe from Korea: Request for Changed Circumstances Review and Revocation, in Part,” dated June 11, 2020 (June 11 CCR Request) and Attachment to this notice.

<sup>4</sup> See June 11 CCR Request at Exhibits 1-3.

<sup>5</sup> See *Large Diameter Welded Pipe from Canada, Greece, India, the People’s Republic of China, the Republic of Korea, and the Republic of Turkey: Initiation of Less-Than-Fair-Value Investigations*, 83 FR 7154 (February 20, 2018) (*Initiation Notice*).

domestic industry has now expressed “no interest.”<sup>6</sup> SeAH requests that Commerce modify the Korea large diameter welded pipe AD and CVD orders in a manner consistent with the changes that have been made to the corresponding India and Greece orders.

#### Scope of the Orders

The merchandise covered by these orders is welded carbon and alloy steel pipe (other than stainless steel pipe), more than 406.4 mm (16 inches) in nominal outside diameter (large diameter welded 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. It may also be used for structural purposes, including, but not limited to, piling. Specifically, not included is large diameter welded pipe produced only to specifications of the American Water Works Association (AWWA) for water and sewage pipe.

Large diameter welded pipe used to transport oil, gas, or natural gas liquids is normally produced to the American Petroleum Institute (API) specification 5L. Large diameter welded pipe may also be produced to American Society for Testing and Materials (ASTM) standards A500, A252, or A53, or other relevant domestic specifications, grades and/or standards. Large diameter welded 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 pipe meeting the physical description set forth above is covered by the scope of these orders, whether or not produced according to a particular standard.

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<sup>6</sup> See *Large Diameter Welded Pipe from India: Final Results of Antidumping Duty and Countervailing Duty Changed Circumstances Reviews*, 85 FR 26930 (May 6, 2020) (*India CCR Final Results*); and *Large Diameter Welded Pipe from Greece: Final Results of Antidumping Duty Changed Circumstances Review*, 85 FR 37424 (June 22, 2020) (*Greece CCR Final Results*).

Subject merchandise also includes large diameter welded 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 pipe.

Excluded from the scope are any products covered by the existing antidumping duty order on welded line pipe from the Republic of Korea. *See Welded Line Pipe from the Republic of Korea and the Republic of Turkey: Antidumping Duty Orders*, 80 FR 75056 (December 1, 2015).<sup>7</sup>

The large diameter welded 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, 7305.19.5000, 7305.31.4000, 7305.31.6090, 7305.39.1000 and 7305.39.5000. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these orders is dispositive.

#### Initiation of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216(d), Commerce will conduct a CCR of an AD or CVD order when it receives information which shows changed circumstances sufficient to warrant such a review. Section 782(h)(2) of the Act and 19 CFR 351.222(g)(1)(i) provide that Commerce may revoke an order (in whole or in part) if it determines that producers accounting for substantially all of the production of the domestic like product have no further interest in the order, in whole or in part.

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<sup>7</sup> This paragraph does not appear in the scope of the CVD order on large diameter welded pipe from Korea.

In the event Commerce determines that expedited action is warranted, 19 CFR 351.221(c)(3)(ii) permits Commerce to combine the notices of initiation and preliminary results.

For the reasons discussed below, we find that such sufficient information exists to warrant the initiation of the CCRs requested by SeAH. Further, Commerce requires no additional information to make preliminary findings. For this reason, as permitted by 19 CFR 351.221(c)(3)(ii), Commerce finds that expedited action is warranted and is conducting these reviews on an expedited basis by publishing preliminary results in conjunction with this notice of initiation.

Furthermore, pursuant to 19 CFR 351.216(c), Commerce will not review a final determination in an investigation less than 24 months after the date of publication of notice of the final determination, unless Commerce determines that good cause exists. In the *India CCR Preliminary Results*, Commerce found that “good cause” existed to initiate the India CCRs even though the request was made less than 24 months after the final determination.<sup>8</sup> The 10 domestic producers who requested the India CCRs represented substantially all of the production of the domestic like product covered by the India orders,<sup>9</sup> and have stated in those proceedings that they are no longer interested in the merchandise at issue being covered by the orders.<sup>10</sup> Additionally, the domestic industry does not currently produce the particular large diameter welded pipe products subject to this CCR request, nor were these products produced in the United States during the period of investigation. Furthermore, according to the domestic

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<sup>8</sup> See *Large Diameter Welded Pipe from India: Initiation and Expedited Preliminary Results of Antidumping Duty and Countervailing Duty Changed Circumstances Reviews*, 84 FR 69356, 69357 (December 18, 2019) (*India CCR Preliminary Results*); see also *India CCR Final Results*, 85 FR at 26930.

<sup>9</sup> In its administrative practice, 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).

<sup>10</sup> See *India CCR Preliminary Results*, 84 FR at 69357 (unchanged in *India CCR Final Results* 85 FR at 26930).

producers, the investment needed for the industry to produce these products far exceeds the potential benefit of such an investment, given that the U.S. market for deep offshore projects, *i.e.*, the primary market for the large diameter welded pipe product groups at issue, is relatively small.<sup>11</sup>

Furthermore, in the *Greece CCR Preliminary Results*, Commerce stated:

There is no evidence that harm is done to the domestic industry only by imports of Greek welded pipe and not by Indian welded pipe. Accordingly, we find that the domestic producers' statements are equally applicable to the CCRs for both countries, as the lack of domestic production or planned domestic production is true regardless of the foreign country of production.<sup>12</sup>

The AD and CVD orders on large diameter welded pipe from Korea began with the same scope in the petitions<sup>13</sup> that resulted in the AD orders against India and Greece and the CVD order against India. Accordingly, we find that the domestic producers' statements are also applicable to the CCR requests for Korea. All of the facts that led Commerce to determine that there was "good cause" to initiate CCRs and finally modify the scopes of the India and Greece orders pertaining to large diameter welded pipe are equally applicable to the AD and CVD orders on large diameter welded pipe from Korea.

#### Preliminary Results of Changed Circumstances Reviews

In the absence of any objection by any other interested parties, and consistent with the revocation, in part, of the AD and CVD orders on large diameter welded pipe from India and the AD order on large diameter welded pipe from Greece, we preliminarily determine that

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<sup>11</sup> *Id.*

<sup>12</sup> See *Large Diameter Welded Pipe from Greece: Preliminary Results of Antidumping Duty Changed Circumstances Review*, 85 FR 26924, 26926 (May 6, 2020) (*Greece CCR Preliminary Results*) (unchanged in *Greece CCR Final Results*).

<sup>13</sup> The scope in each of the large diameter welded pipe petitions was identical except for the exclusion of certain products covered by existing AD and/or CVD orders at the time of the initiation of the investigations. See *Initiation Notice* at Appendix.

substantially all of the domestic producers of the like product have no interest in the continued application of part of the AD and CVD orders on large diameter welded pipe from Korea.

Accordingly, we are notifying the public of our intent to revoke, in part, the Korea AD and CVD orders as they relate to certain specific large diameter welded pipe products produced in Korea. We intend to amend the scope of the AD and CVD orders on large diameter welded pipe from Korea by adding the exclusion language provided in the Attachment to this notice.

### Public Comment

Interested parties may submit case briefs not later than 14 days after the date of publication of this notice.<sup>14</sup> Rebuttal briefs, which must be limited to issues raised in case briefs, may be filed not later than seven days after the due date for case briefs.<sup>15</sup> Note that Commerce has modified certain of its requirements for serving documents containing business proprietary information, until July 17, 2020, unless extended.<sup>16</sup> All submissions must be filed electronically using Enforcement and Compliance's AD and CVD Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the due date set forth in this notice.

An interested party may request a hearing within 14 days of publication of this notice. Hearing requests should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed.

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<sup>14</sup> Commerce is exercising its discretion under 19 CFR 351.309(c)(1)(ii) to alter the time limit for filing of case briefs.

<sup>15</sup> Commerce is exercising its discretion under 19 CFR 351.309(d)(1) to alter the time limit for filing of rebuttal briefs.

<sup>16</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006 (March 26, 2020); see also *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 29615 (May 18, 2020).

Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230 in a room to be determined.<sup>17</sup>

Unless extended, consistent with 19 CFR 351.216(e), we intend to issue the final results of these CCRs no later than 270 days after the date on which these reviews were initiated, or within 45 days of that date if all parties agree to the outcome of the reviews.

Notification to Interested Parties

This notice is published in accordance with sections 751(b)(1) and 777(i)(1) of the Act and 19 CFR 351.216 and 351.221(c)(3).

Dated: July 2, 2020.

Jeffrey I. Kessler,  
Assistant Secretary  
for Enforcement and Compliance.

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<sup>17</sup> See 19 CFR 351.310(d).

## **Attachment**

### **Proposed Revision to the Scope of the *Orders***

Excluded from the scope of the AD/CVD orders are large diameter welded pipe products 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.

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