



UNITED STATES DEPARTMENT OF COMMERCE  
International Trade Administration  
Washington, D.C. 20230

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Sunset Reviews  
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August 18, 2019

MEMORANDUM TO: Jeffrey I. Kessler  
Assistant Secretary  
for Enforcement and Compliance

FROM: James Maeder  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Expedited Second  
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

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## I. SUMMARY

We have analyzed the responses of domestic interested parties in the second sunset reviews of the antidumping duty orders covering light-walled rectangular pipe and tube (light-walled pipe and tube) from the Republic of Korea (Korea), Mexico, Turkey, and the People's Republic of China (China).<sup>1</sup> We received no substantive responses from respondent interested parties. Accordingly, we conducted expedited (120-day) sunset reviews pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.218(e)(1)(ii)(C)(2). We recommend that you approve the positions described 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 substantive responses:

1. Likelihood of Continuation or Recurrence of Dumping
2. Magnitude of the Margins Likely to Prevail

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<sup>1</sup> 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*, *China Order*, and *Korea Order*); and *Notice of Antidumping Duty Order: Light-Walled Rectangular Pipe and Tube from Turkey*, 73 FR 31065 (May 30, 2008) (*Turkey Order*).



## II. BACKGROUND

On May 1, 2019, the Department of Commerce (Commerce) published the notice of initiation of the second sunset reviews of the antidumping duty orders on light-walled pipe and tube from Korea, Mexico, Turkey, and China, pursuant to section 751(c)(2) of the Act.<sup>2</sup> On May 13, 2019, Commerce received notices of intent to participate in the reviews from Atlas Tube, Bull Moose Tube Company, California Steel and Tube, Hannibal Industries, Maruichi American Corporation, Searing Industries, Inc., and Vest, Inc.<sup>3</sup> On May 16, 2019, Commerce received a second notice of intent from Independence Tube Corporation and Southland Tube, Inc, both of which are Nucor companies, within the deadline specified in 19 CFR 351.218(d)(1)(i).<sup>4</sup> These parties claimed interested party status under section 771(9)(C) of the Act as manufacturers of a domestic like product in the United States. On July 15, 2019, Commerce received a letter correcting the May 13, 2019, notice of intent to include Wheatland Tube Company also, a division of Zekelman Industries.<sup>5</sup>

Commerce received complete substantive responses from the domestic interested parties named above, including Wheatland Tube Company, within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).<sup>6</sup> We received no substantive responses from respondent interested parties, nor was a hearing requested. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce is conducting expedited (120-day) sunset reviews of the antidumping duty orders on light-walled pipe and tube from Korea, Mexico, Turkey, and China.<sup>7</sup>

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<sup>2</sup> See *Initiation of Five-Year (Sunset) Reviews*, 84 FR 18477 (May 1, 2019).

<sup>3</sup> See Letter, “Notice of Intent to Participate in Second Five-Year Review of the Antidumping Duty Order on Light-Walled Rectangular Pipe and Tube from Korea,” dated May 13, 2019; Letter, “Notice of Intent to Participate in Second Five-Year Review of the Antidumping Duty Order on Light-Walled Rectangular Pipe and Tube from Mexico,” dated May 13, 2019; Letter, “Notice of Intent to Participate in Second Five-Year Review of the Antidumping Duty Order on Light-Walled Rectangular Pipe and Tube from Turkey,” dated May 13, 2019; and Letter, “Notice of Intent to Participate in Second Five-Year Review of the Antidumping Duty Order on Light-Walled Rectangular Pipe and Tube from China,” dated May 13, 2019.

<sup>4</sup> See Letter, “Light-Walled Rectangular Pipe and Tube from the Republic of Korea: Notice of Intent to Participate,” dated May 16, 2019; Letter, “Light-Walled Rectangular Pipe and Tube from Mexico: Notice of Intent to Participate,” dated May 16, 2019; Letter, “Light-Walled Rectangular Pipe and Tube from Turkey: Notice of Intent to Participate,” dated May 16, 2019; and Letter, “Light-Walled Rectangular Pipe and Tube from the People’s Republic of China: Notice of Intent to Participate,” dated May 16, 2019.

<sup>5</sup> See Letter, “Second Five-Year Reviews of the Antidumping Duty Order on Light-Walled Rectangular Pipe and Tube from China, Korea, Mexico, and Turkey: Errata,” dated July 15, 2019.

<sup>6</sup> See Letter, “Light-Walled Rectangular Pipe and Tube from Korea, Second Review: Substantive Response to Notice of Initiation,” dated May 31, 2019 (Substantive Response for Korea); Letter, “Light-Walled Rectangular Pipe and Tube from Mexico: Substantive Response to Notice of Initiation,” dated May 31, 2019 (Substantive Response for Mexico); Letter, “Light-Walled Rectangular Pipe and Tube from Turkey: Substantive Response to Notice of Initiation,” dated May 31, 2019 (Substantive Response for Turkey); and Letter, “Light-Walled Rectangular Pipe and Tube from the People’s Republic of China, Second Review: Substantive Response to Notice of Initiation,” dated May 31, 2019 (Substantive Response for China).

<sup>7</sup> See Letter, “Sunset Reviews Initiated on May 1, 2019,” dated July 2, 2019.

### III. 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.

### IV. HISTORY OF THE ORDERS

#### 1. Final Determinations of Sales at Less-than-Fair-Value and Orders

On August 5, 2008, Commerce published the *Korea Order* and *Mexico Order* in the *Federal Register* with respect to imports of light-walled pipe and tube from Korea and Mexico at the following weighted-average dumping margins:<sup>8</sup>

#### Korea

Nexteel Co., Ltd.	0.92
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	15.79

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<sup>8</sup> See *Korea Order* and *Mexico Order*, 73 FR at 45404-45405.

## Mexico

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

On May 30, 2008, Commerce published the *Turkey Order* in the *Federal Register* with respect to imports of light-walled pipe and tube from Turkey at the following weighted-average dumping margins:<sup>9</sup>

Guven Boru Profil Sanayii ve Ticaret Limited Sirketi	41.71
MMZ Onur Boru Profil Uretim San. ve Tic. A.S.	41.71
Anadolu Boru	41.71
Ayata Metal Industry	41.71
Goktas Tube/Goktas Metal	41.71
Kalibre Boru Sanayi ve Ticaret A.S.	41.71
Kerim Celik Mamulleri Imalat ve Ticaret	41.71
Ozgur Boru	41.71
Ozmak 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 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
Yücel Boru ve Profil Endustrisi A.S.	27.04
All Others	27.04

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<sup>9</sup> See *Turkey Order*, 73 FR at 31066.

Commerce published the *China Order* in the *Federal Register* on August 5, 2008.<sup>10</sup> However, on August 30, 2012, Commerce implemented a Section 129 determination with respect to this order.<sup>11</sup> As a result of this determination, the weighted-average dumping margins from the investigation changed to the following:<sup>12</sup>

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
China-Wide Rate	255.07

## 2. Administrative Reviews Subsequent to the Previous Sunset Reviews

### Korea

Commerce has conducted no administrative reviews of the order on light-walled pipe and tube from Korea in the history of the order.

### Mexico

Since the previous sunset review, Commerce has completed three administrative reviews of the order on light-walled pipe and tube from Mexico.<sup>13</sup> In the administrative review covering the period August 1, 2013, through July 31, 2014, Commerce determined that a weighted-average dumping margin of 0.00 percent applied to imports of Perfiles y Herrajes LM, S.A. de C.V.

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<sup>10</sup> See *China Order*, 73 FR at 45404.

<sup>11</sup> 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-Walled Rectangular Pipe and Tube From the People's Republic of China*, 77 FR 52683 (August 30, 2012) (*China 129 Determination*); see also Memorandum, "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.

<sup>12</sup> See *China 129 Determination*, 77 FR at 52688.

<sup>13</sup> See *Final Results of Expedited Sunset Reviews of Antidumping Duty Orders: Light-Walled Rectangular Pipe and Tube From Mexico, Turkey, the People's Republic of China, and the Republic of Korea*, 78 FR 47671 (August 6, 2013).

(Perfiles).<sup>14</sup> In the review covering the period August 1, 2015, through July 31, 2016, Commerce determined a weighted-average margin of 0.00 percent for Productos Laminados de Monterrey S.A. de C.V. (Prolamsa) and its affiliated reseller Aceros Cuatro Caminos S.A. de C.V.<sup>15</sup> In the review covering the period August 1, 2016, through July 31, 2017, Commerce determined the following weighted-average margins: 17.65 percent for Maquilacero S.A. de C.V. (Maquilacero), 12.78 percent for Perfiles, 12.78 percent for Prolamsa, and 8.32 percent for Regiomontana de Perfiles y Tubos S.A. de C.V. (Regiomontana).<sup>16</sup>

## Turkey

Subsequent to the previous sunset review, Commerce has completed four administrative reviews of the order on light-walled pipe and tube from Turkey. In the review covering the period May 1, 2013, through April 30, 2014, Commerce determined a weighted-average dumping margin of 0.00 percent for ÇINAR Boru Profil Sanayi ve Ticaret A.Ş. (CINAR).<sup>17</sup> In the review covering the period May 1, 2014, through April 30, 2015, Commerce determined a weighted-average dumping margin of 0.00 percent for Agir Haddecilik A.Ş. (Agir Haddecilik).<sup>18</sup> In the review covering the period May 1, 2015, through April 30, 2016, Commerce determined the following weighted-average margins: 18.16 percent for CINAR, 4.93 percent for Noksel Celik Boru Sanayi A.S. (Noksel), 7.22 percent for Toscelik Profil ve Sac Endustrisi A.S., 7.22 percent for Toscelik Metal Ticaret A.S., 7.22 percent for Tosyali Dis Ticaret A.S., 7.22 percent for Yücel Boru ve Profil Endustrisi A.S., 7.22 percent for Yücelboru Ihracat Ithalat ve Pazarlama A.S. and 7.22 percent for Cayirova Boru Sanayi ve Ticaret A.S.<sup>19</sup> In the review covering the period May 1, 2016, through April 30, 2017, Commerce determined a weighted-average dumping margin of 0.00 percent for Agir Haddecilik.<sup>20</sup>

## China

Since the previous sunset review, Commerce has conducted no administrative reviews of the order on light-walled pipe and tube from China.

Finally, Commerce has not conducted any new shipper reviews in the history of the orders on light-walled pipe and tube from Korea, Mexico, Turkey and China.

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<sup>14</sup> See *Light-Walled Rectangular Pipe and Tube from Mexico: Final Results of Antidumping Duty Administrative Review; 2013-2014*, 80 FR 69941 (November 12, 2015) (2013-2014 Mexico Pipe and Tube Review).

<sup>15</sup> See *Light-Walled Rectangular Pipe and Tube From Mexico: Final Results of Antidumping Duty Administrative Review; 2015-2016*, 83 FR 10664 (March 12, 2018) (2015-2016 Mexico Pipe and Tube Review).

<sup>16</sup> See *Light-Walled Rectangular Pipe and Tube From Mexico: Final Results of Antidumping Duty Administrative Review; 2016-2017*, 84 FR 16646, 16647 (April 22, 2019).

<sup>17</sup> See *Light-Walled Rectangular Pipe and Tube From Turkey: Final Results of Antidumping Duty Administrative Review; 2013-2014*, 80 FR 46542 (August 5, 2015).

<sup>18</sup> See *Light-Walled Rectangular Pipe and Tube From Turkey: Final Results of Antidumping Duty Administrative Review; 2014-2015*, 81 FR 28823 (May 10, 2016).

<sup>19</sup> See *Light-Walled Rectangular Pipe and Tube: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2015-2016*, 82 FR 47477, 47478 (October 12, 2017).

<sup>20</sup> See *Light-Walled Rectangular Pipe and Tube From Turkey: Final Results of Antidumping Duty Administrative Review; 2016-2017*, 83 FR 24278 (May 25, 2018).

### 3. Duty-Absorption Findings, Changed-Circumstances Reviews and Scope Inquiries

There have been no duty absorption findings concerning the four antidumping orders on light-walled pipe and tube in the history of the orders.

Subsequent to the previous sunset review, there was a changed-circumstances review completed for the *Mexico Order*. In this review, Commerce determined that Perfiles LM, S.A. de C.V., was the successor-in-interest to Perfiles for purposes of determining antidumping duty cash deposits and liabilities.<sup>21</sup>

Commerce has issued two scope rulings on the *China Order*. On July 28, 2009, Commerce ruled that “Secure-Weld Plus” fence posts, which were processed through an intermediary located in Mexico, and then manufactured by a Delaware corporation named MMI Products, Inc., were within the scope of the order.<sup>22</sup> On May 29, 2018, Commerce ruled that Carlson AirFlo Merchandising Systems’ parts, numbered R10447, P0228321, 250172 and 250355 (finished components of refrigerated merchandising and display structures), were within the scope of the antidumping and countervailing duty orders on light-walled pipe and tube from China.<sup>23</sup>

### 4. Prior Sunset Review

On April 2, 2013, Commerce published its notice of initiation of the first sunset reviews of the *Korea Order*, *Mexico Order*, *Turkey Order* and the *China Order*.<sup>24</sup> On August 6, 2013, Commerce issued final results for these reviews, in which it determined that revocation of the orders would likely lead to continuation or recurrence of dumping.<sup>25</sup> On June 9, 2014, the International Trade Commission (ITC) determined, pursuant to section 751(c) of the Act, that revocation of the antidumping duty orders would likely lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>26</sup> Consequently, Commerce published notices of continuation for each of these orders.<sup>27</sup>

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<sup>21</sup> See *Light-Walled Rectangular Pipe and Tube From Mexico: Final Results of Changed Circumstances Review*, 83 FR 13475 (March 29, 2018).

<sup>22</sup> See Memorandum, “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.

<sup>23</sup> See Memorandum, “Final Scope Ruling on the Antidumping and Countervailing Duty Orders on Light-Walled Rectangular Pipe and Tube from the People’s Republic of China: Carlson AirFlo Merchandising Systems Scope Ruling Request,” dated May 29, 2018.

<sup>24</sup> See *Initiation of Five-Year (“Sunset”) Review*, 78 FR 19647 (April 2, 2013).

<sup>25</sup> See *Final Results of Expedited Sunset Reviews of Antidumping Duty Orders: Light-Walled Rectangular Pipe and Tube From Mexico, Turkey, the People’s Republic of China, and the Republic of Korea*, 78 FR 47671 (August 6, 2013).

<sup>26</sup> See *Light-Walled Rectangular Pipe From China, Korea, Mexico and Turkey: Determinations*, 79 FR 33950 (June 13, 2014); see also ITC Publication 4470 (June 2014), entitled *Light-Walled Rectangular Pipe and Tube from China, Korea, Mexico, Turkey: Investigation Nos. 701-TA-449 and 731-TA-1118-1121 (Review)*.

<sup>27</sup> See *Light-Walled Rectangular Pipe and Tube From Mexico, Turkey, the People’s Republic of China, and the Republic of Korea: Continuation of Antidumping and Countervailing Duty Orders*, 79 FR 35522 (June 23, 2014) (*Continuation of Orders*).

## V. LEGAL FRAMEWORK

In accordance with section 751(c)(1) of the Act, Commerce is conducting these sunset reviews to determine whether revocation of the *Korea Order*, *Mexico Order*, *Turkey Order*, or the *China Order* would be likely to lead to a continuation or recurrence of dumping. Sections 752(c)(1)(A) and (B) of the Act provide that, in making these determinations, Commerce shall consider both the weighted-average dumping margins determined in the investigations and subsequent reviews, and the volume of imports of the subject merchandise for the periods before and the periods after the issuance of the orders.

In accordance with the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act, specifically the SAA,<sup>28</sup> Commerce's determinations of likelihood will be made on an order-wide, rather than company-specific, basis.<sup>29</sup> In addition, Commerce normally determines that revocation of an order is likely to lead to continuation or recurrence of dumping when, among other scenarios: (a) dumping continued at any level above *de minimis* after the issuance of the order; (b) imports of the subject merchandise ceased after issuance of the order; or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly.<sup>30</sup> Pursuant to section 752(c)(4)(A) of the Act, a dumping margin of zero or *de minimis* shall not by itself require Commerce to determine that revocation of an order would not be likely to lead to a continuation or recurrence of sales made at less than fair value.<sup>31</sup>

In addition, as a base period of import volume comparison, it is Commerce's practice to use the one-year period immediately preceding the initiation of the investigation, rather than the level of pre-order import volumes, as the initiation of an investigation may dampen import volumes and, thus, skew the comparison.<sup>32</sup> Also, when analyzing import volumes for the second and subsequent sunset reviews, Commerce's practice is to compare import volumes during the year preceding initiation of the underlying investigation to import volumes since the issuance of the last continuation notice.<sup>33</sup>

Further, section 752(c)(3) of the Act states that Commerce shall provide to the ITC the magnitude of the margin of dumping likely to prevail if the order were revoked. Generally, Commerce selects the dumping margins from the final determination in the original

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<sup>28</sup> H.R. Doc. 103-316, vol. 1 (1994), Statement of Administrative Action (SAA), H.R. Rep. No. 103-826, pt. 1 (1994) (House Report), S. Rep. No. 103-412 (1994) (Senate Report).

<sup>29</sup> See SAA at 879; and House Report at 56.

<sup>30</sup> See SAA at 889-90; House Report at 63-64; and Senate Report at 52; see also *Policies Regarding the Conduct of Five-Year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*; Policy Bulletin 98.3, 63 FR 18871, 18872 (April 16, 1998).

<sup>31</sup> See *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 accompanying Issues and Decision Memorandum (IDM) at Comment 1.

<sup>32</sup> See, e.g., *Stainless Steel Bar from Germany: Final Results of the Sunset Review of the Antidumping Duty Order*, 72 FR 56985 (October 5, 2007), and accompanying IDM at Comment 1.

<sup>33</sup> See *Ferrovanadium from the People's Republic of China and the Republic of South Africa: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders*, 79 FR 14216 (March 13, 2014), and accompanying IDM at "Discussion of the Issues: Legal Framework."



investigation, as these rates are the only calculated rates that reflect the behavior of exporters without the discipline of an order in place.<sup>34</sup> However, in certain circumstances, a more recently calculated rate may be more appropriate (*e.g.*, “if dumping margins have declined over the life of an order and imports have remained steady or increased, {Commerce} may conclude that exporters are likely to continue dumping at the lower rates found in a more recent review”).<sup>35</sup>

In February 2012, Commerce 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/the denial of offsets).<sup>36</sup> In the *Final Modification for Reviews*, Commerce stated that “only in the most extraordinary circumstances” would it rely on margins other than those calculated and published in prior determinations.<sup>37</sup> Commerce further stated that, apart from the “most extraordinary circumstances,” it did not anticipate needing to recalculate dumping margins in the vast majority of future sunset determinations and, instead 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.”<sup>38</sup> Commerce “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, and dumping margins where no offsets were denied because all comparison results were positive.”<sup>39</sup>

## VI. DISCUSSION OF THE ISSUES

### 1. Likelihood of Continuation or Recurrence of Dumping

*Comments from the Domestic Interested Parties:*

#### Korea<sup>40</sup>

- Commerce should determine that revocation of the *Korea Order* will likely result in continuation or recurrence of dumping due to the continued existence of dumping margins at above *de minimis* levels. Although no administrative reviews have been completed in this case, the dumping margins determined in the investigation continue to exist for shipments of the subject merchandise and Commerce should publish these rates, because imports from all companies declined in the period after the issuance of the *Korea Order*. The continued

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<sup>34</sup> See SAA at 890; see also *Persulfates from the People’s Republic of China: Notice of Final Results of Expedited Second Sunset Review of Antidumping Duty Order*, 73 FR 11868 (March 5, 2008), and accompanying IDM at Comment 2.

<sup>35</sup> See SAA at 890-91.

<sup>36</sup> See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101, 8103 (February 14, 2012) (*Final Modification for Reviews*).

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

<sup>40</sup> See Substantive Response for Korea at 5-9.

existence of the above *de minimis* margins is, in itself, a sufficient basis for Commerce to conclude that Korean producers are likely to continue to engage in dumping in the absence of the order.

- Imports of light-walled pipe and tube have declined from 14,419 tons in 2007, prior to the filing of petitions, to zero tons in 2013, 320 tons in 2014, four tons in 2015, 655 tons in 2016, 17 tons in 2017, and 55 tons in 2018. Thus, the imposition of the *Korea Order* directly impacted the level of imports from Korea and the decline warrants continuation of the order.

#### Mexico<sup>41</sup>

- Revocation of the *Mexico Order* is likely to lead to the continuation or recurrence of dumping by margins equal to or greater than: 17.65 percent for Maquilacero; 8.32 percent for Regiopytsa; 12.78 percent for Perfiles; 12.78 percent for Prolamsa; 11.50 percent for Industrias Monterrey S.A. de C.V., Nacional de Acero S.A. de C.V., PEASA-Productos Especializados de Acero, Tuberias Aspe, and Tuberias y Derivados S.A. de C.V.; and 3.76 percent for all other Mexican producers and/or exporters (*i.e.*, the highest margins found in either the investigation or the most recently completed administrative review).
- As in the first sunset review, the record in this review shows that, since the *Mexico Order* was issued, dumping has continued and shipments of the subject merchandise have decreased significantly. As such, Commerce should determine, as in the last sunset review, that revoking the *Mexico Order* is likely to lead to a continuation or recurrence of dumping by the producers or exporters of the subject merchandise.

#### Turkey<sup>42</sup>

- Revocation of the *Turkey Order* is likely to lead to a continuation or recurrence of dumping by margins equal to or greater than those found in the investigation. As in the first sunset review, the record in this review shows that, since the *Turkey Order* was issued, dumping has continued and shipments of the subject merchandise have decreased significantly. As such, Commerce should determine, as in the last sunset review, that revoking the *Turkey Order* is likely to lead to a continuation or recurrence of dumping by the producers or exporters of the subject merchandise.
- In the 2015-2016 administrative review of the order, Turkish producers CINAR and Noksel were assigned rates of 18.16 percent and 4.93 percent, respectively, which provides, by itself, a sufficient basis for Commerce to find that dumping is likely to continue or recur if the order is revoked. In addition, the average annual volume of imports from 2013 through 2018 was far below the volume imported the year before the order was in place and this decrease, by itself, establishes that dumping is likely to continue or recur if the *Turkey Order* were revoked.

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<sup>41</sup> See Substantive Response for Mexico at 11-16.

<sup>42</sup> See Substantive Response for Turkey at 10-16.

## China<sup>43</sup>

- Revocation of the *China Order* would lead to the continuation or recurrence of dumping by margins equal to or greater than those found in the investigation. The record demonstrates that, since the *China Order* was issued, dumping has continued and shipments of the subject merchandise have decreased significantly.
- Dumping margins determined in the investigation continue to exist for shipments of the subject merchandise and Commerce should publish these rates because imports for all companies declined after the issuance of the order. The imposition of the *China Order* thus directly impacted the level of imports from China and this decline warrants continuation of the *China Order*.

**Commerce's Position:** As explained in the "Legal Framework" section above, Commerce's determinations of likelihood of continuation or recurrence of dumping will be made on an order-wide basis.<sup>44</sup> When determining whether revocation of an antidumping duty order would be likely to lead to continuation or recurrence of dumping, sections 752(c)(1)(A) and (B) of the Act instruct Commerce to consider: (1) the weighted-average dumping margins determined in the investigation and subsequent reviews; and (2) the volume of imports of the subject merchandise for the period before and after the issuance of the order. According to the SAA, existence of dumping margins after the order:

is highly probative of the likelihood of continuation or recurrence of dumping. If 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. If imports cease after the order is issued, it is reasonable to assume that the exporters could not sell in the United States without dumping and that, to reenter the U.S. market, they would have to resume dumping.<sup>45</sup>

In addition, "declining import volumes accompanied by the continued existence of dumping margins after the issuance of an order may provide a strong indication that, absent an order, dumping would be likely to continue, because the evidence would indicate that the exporter needs to dump to sell at pre order volumes."<sup>46</sup>

As noted above, when analyzing import volumes for the second and subsequent sunset reviews, Commerce's practice is to compare import volumes during the year preceding initiation of the underlying investigation to import volumes since the issuance of the last continuation notice. The last continuation notice for this sunset review was issued in June 2014.<sup>47</sup> Therefore, for this sunset review, we examined import volumes for the full year preceding initiation of the

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<sup>43</sup> See Substantive Response for China at 5-9.

<sup>44</sup> See SAA at 879; and House Report at 56.

<sup>45</sup> See SAA at 890.

<sup>46</sup> *Id.* at 889; House Report at 63; and Senate Report at 52.

<sup>47</sup> See *Continuation of Orders*.

underlying investigation as compared to import volumes during the current sunset review period (*i.e.*, 2014-2018).<sup>48</sup>

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

### Korea

Commerce finds that import volumes for light-walled pipe and tube from Korea have declined substantially from pre-order level of 14,419 metric tons (MT) and have remained at diminished levels since the last sunset review.<sup>49</sup> The highest import volume from the years 2014 through 2018 was 655 MT in 2016. Because dumping of the subject merchandise continues at margins above *de minimis* (as no administrative reviews have been conducted), and because import volumes remain at significantly lower levels than the pre-initiation volume, Commerce determines that dumping is likely to continue or recur if it revokes the *Korea Order*. The decreased volumes and the continued existence of above *de minimis* dumping margins for Korean producers support the 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, Commerce concludes that dumping is likely to continue or recur if the *Korea Order* were revoked.

### Mexico

After imposition of the *Mexico Order* in August 2008, import volumes of light-walled pipe and tube from Mexico declined from the pre-order level of 116,691 MT in 2007. From 2014 through 2018, the import volumes ranged from 84,437 to 111,171 MT. Although import volumes increased after 2013, imports have never reached the level they were before the issuance of the *Mexico Order*.<sup>50</sup> Furthermore, conduct of the most recently completed administrative review (*i.e.*, the 2016-17 review) establishes that dumping of the subject merchandise has at times continued at margins above *de minimis*. The decreased import volumes of light-walled pipe and tube after the issuance of the *Mexico Order* supports the 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, Commerce concludes that dumping is likely to continue or recur if the *Mexico Order* were revoked.

### Turkey

A review of the annual import volumes for light-walled pipe and tube from Turkey for the years 2014 through 2018 shows that, with the exception of 2017, the volumes were below the pre-

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<sup>48</sup> See Memorandum, "Import Volumes for the Final Results of the Expedited Second Five-Year (Sunset) Review of the Antidumping Duty Order on Light-Walled Rectangular Pipe and Tube from the Republic of Korea," dated concurrently with, and attached to this memorandum as Attachment 1.

<sup>49</sup> See Attachment 1 at 2.

<sup>50</sup> *Id.* at 3.

order level of 12,874 MT in 2007.<sup>51</sup> The volumes for 2014, 2015, 2016 and 2018 ranged from 5,510 MT to 10,893 MT, while the volume for 2017 amounted to 14,801 MT. We find that, overall, these 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. In addition, the results of the 2015-2016 administrative review show that dumping of the subject merchandise continues at margins above *de minimis* for some companies. Therefore, Commerce concludes that dumping is likely to continue or recur if the *Turkey Order* were revoked.

## China

The import volumes for light-walled pipe and tube from China have declined substantially from the pre-order level of 71,184 MT in 2007 and have remained at diminished levels since the last sunset review.<sup>52</sup> The highest import volume between 2014 through 2018 was 1,176 MT in 2016.<sup>53</sup> No administrative reviews were completed during this period, which means that dumping of the subject merchandise continues at margins above *de minimis*. Because dumping continues and because import volumes are at significantly lower levels than the pre-initiation volume, Commerce determines that dumping is likely to continue or recur if it revokes the *China Order*. The decreased volumes and the continued existence of above *de minimis* dumping margins for Chinese producers support the 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, Commerce concludes that dumping is likely to continue or recur if the *China Order* were revoked.

## 2. Magnitude of the Margins Likely to Prevail

### *Comments from the Domestic Interested Parties:*

- With respect to the *Korea Order*, *Turkey Order* and *China Order*, Commerce should select the margins calculated in the original investigations, in accordance with Commerce's policy and practice, as the magnitude of the margins of dumping that would be likely to prevail if the orders were revoked.<sup>54</sup>
- Regarding the *Mexico Order*, Commerce should, in determining the magnitude of the margins of dumping that would be likely to prevail if the order were revoked, report to the ITC the highest margins found in either the original investigation or the most recently completed administrative review, as is consistent with Commerce's policy and practice.<sup>55</sup>

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<sup>51</sup> *Id.* at 4.

<sup>52</sup> *Id.*

<sup>53</sup> *Id.* at 5.

<sup>54</sup> See Substantive Response for Korea at 10-11; Substantive Response for China at 10-12; and Substantive Response for Turkey at 16-17.

<sup>55</sup> See Substantive Response for Mexico at 16-18.

**Commerce's Position:** Pursuant to section 752(c)(3) of the Act, the administering authority shall provide to the ITC the magnitude of the margins of dumping that are likely to prevail if Commerce revokes the orders for Korea, Mexico, Turkey, and China. Generally, for each order, Commerce will select a weighted-average dumping margin from the investigation to report to the ITC.<sup>56</sup> Commerce normally selects a weighted-average dumping margin from the less-than-fair-value investigation, because it is the only calculated rate that reflects the behavior of the producers or exporters without the discipline of an order or suspension agreement in place.<sup>57</sup> Under certain circumstances, however, Commerce may select a more recent rate to report to the ITC. Finally, as explained above, in accordance with the *Final Modification for Reviews*, Commerce will not rely on weighted-average dumping margins that it calculated using the zeroing methodology.<sup>58</sup>

In these four sunset reviews, Commerce has relied upon weighted-average dumping margins that were not affected by the WTO-inconsistent methodology, *i.e.*, zeroing. In accordance with our change in practice, where comparisons resulted in negative comparison results, offsets were granted in the light-walled pipe and tube investigations.<sup>59</sup> Thus, Commerce finds it appropriate to report to the ITC the rates from the original investigations as indicative of the magnitude of the margins of dumping likely to prevail because these margins: (1) are WTO-consistent rates; and (2) best reflect the behavior of the producers and exporters without the discipline of the orders in place.<sup>60</sup>

With respect to the *Mexico Order*, we find that the record evidence also supports selecting a weighted-average dumping margin from the investigation to report to the ITC. As mentioned above, Commerce may use a more recently calculated dumping margin, where appropriate.<sup>61</sup> Specifically, the SAA and the House Report state that, “if dumping margins have declined over the life of an order and imports have remained steady or increased, {Commerce} may conclude that exporters are likely to continue dumping at the lower rates found in a more recent review.”<sup>62</sup> Additionally, “declining (or no) dumping margins accompanied by steady or increasing imports may indicate that foreign companies do not have to dump to maintain market share in the United States and that dumping is less likely to continue or recur if the order were revoked.”<sup>63</sup> Therefore, Commerce may, in response to arguments from an interested party, provide to the ITC a more-recently calculated margin for a particular company where, for that particular company, dumping margins declined or dumping was eliminated after the issuance of the order, and import volumes remained steady or increased.

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<sup>56</sup> See *Eveready Battery Co., Inc. v. United States*, 77 F. Supp. 2d 1327, 1333 (CIT 1999).

<sup>57</sup> See, e.g., *Certain Circular Welded Carbon Steel Pipes and Tubes From India, Thailand, and Turkey; Final Results of Expedited Five-Year (“Sunset”) Reviews of Antidumping Duty Orders*, 76 FR 66893 (Oct. 28, 2011), and accompanying IDM at Comment 1.

<sup>58</sup> See SAA at 890.

<sup>59</sup> See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin During an Antidumping Investigation; Final Modification*, 71 FR 77722 (December 27, 2006).

<sup>60</sup> As noted above, the amended weighted-average dumping margins resulting from the investigation for the *China Order* appear in *China 129 Determination*, 77 FR at 52688.

<sup>61</sup> See SAA at 890-91.

<sup>62</sup> *Id.*

<sup>63</sup> See SAA at 889-90; House Report at 63; and Senate Report at 52.

Alternatively, a company may choose to increase dumping in order to maintain or increase market share. As a result, increasing margins may be more representative of a company's behavior in the absence of an order. Therefore, Commerce may, in response to arguments from an interested party, provide to the ITC a more recently calculated margin for a particular company where, for that particular company, dumping margins increased after the issuance of the order.<sup>64</sup>

As discussed above, the import data show that, after imposition of the *Mexico Order*, imports have never reached the pre-order level of 116,691 MT.<sup>65</sup> Additionally, dumping margins have remained low, with mandatory respondents receiving zero margins in multiple administrative reviews.<sup>66</sup> Although in the 2016-17 administrative review Commerce calculated margins higher than those in the investigation or any other administrative review, these higher dumping margins do not reflect a consistent pattern. Moreover, import volumes increased after 2013 with mandatory respondents still receiving zero percent dumping margins in recent administrative reviews (*i.e.*, the 2013-14 and 2015-16 reviews).<sup>67</sup> Based on the inconsistency of the dumping margins in recent administrative reviews and our analysis of the import volumes of light-walled pipe and tube from Mexico, we find that the dumping margins calculated in the investigation, without the discipline of the order in place, reflect the magnitude of the margin of dumping that would likely prevail if the order were revoked.

For the reasons stated above, we determine that revocation of the *Korea Order*, *Mexico Order*, *Turkey Order*, and *China Order* would likely lead to continuation or recurrence of dumping and that the magnitude of the margins of dumping likely to prevail would be up to the weighted-average margins listed below:

<b>Country</b>	<b>Margins (Up to)</b>
<u>Korea</u>	30.66 percent
<u>Mexico</u>	11.50 percent
<u>Turkey</u>	41.71 percent
<u>China</u>	255.07 percent

## **VII. FINAL RESULTS OF REVIEWS**

Consistent with section 752(c) of the Act, Commerce will report to the ITC that revocation of the *Korea Order*, *Mexico Order*, *Turkey Order*, and *China Order* would likely lead to continuation

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<sup>64</sup> See *Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*; *Policy Bulletin*, 63 FR 18871 (April 16, 1998).

<sup>65</sup> See Attachment 1 at 3.

<sup>66</sup> See *2013-2014 Mexico Pipe and Tube Review*, 80 FR at 69941; and *2015-2016 Mexico Pipe and Tube Review*, 83 FR at 10664.

<sup>67</sup> See *2013-2014 Mexico Pipe and Tube Review*, 80 FR at 69941; and *2015-2016 Mexico Pipe and Tube Review*, 83 FR at 10664.

or recurrence of dumping and that the magnitude of the margins of dumping likely to prevail would be above *de minimis*, as listed above.

### VIII. 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 ITC of our determinations.

☒

\_\_\_\_\_  
Agree

☐

\_\_\_\_\_  
Disagree

8/18/2019

X 

Signed by: JEFFREY KESSLER

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Jeffrey I. Kessler  
Assistant Secretary  
for Enforcement and Compliance



## ATTACHMENT 1



UNITED STATES DEPARTMENT OF COMMERCE  
International Trade Administration  
Washington, D.C. 20230

A-201-836  
A-489-815  
A-570-914  
A-580-859  
Sunset Reviews  
**Public Document**  
ADCVD/VI: EAA

August 18, 2019

MEMORANDUM TO: The File

THROUGH: Brian C. Davis *BCD*  
Program Manager  
AD/CVD Operations, Office VI

FROM: Edythe Artman *EAA*  
International Trade Compliance Analyst  
AD/CVD Operations, Office VI

RE: Import Volumes for the Final Results of the Expedited Second  
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

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The attached spreadsheets summarize pre-order and post-continuation import volumes for consumption (*i.e.*, import volumes for the years 2007 and 2014 through 2018) of light-walled rectangular pipe and tube (light-walled pipe and tube) from the Republic of Korea (Korea), Mexico, Turkey, and the People's Republic of China (China). The scope of the orders on light-walled pipe and tube includes two subheading classifications from the Harmonized Tariff Schedule of the United States (HTSUS). Consequently, for purposes of the second sunset reviews of the orders, we examined import volumes under the HTSUS subheadings 7306.61.50.00 and 7306.61.70.60. The Department of Commerce (Commerce) sourced its import data from the U.S. International Trade Commission's (ITC's) Interactive Tariff and Trade Dataweb (accessed at <http://dataweb.usitc.gov>). The data include both subject and non-subject merchandise. Additionally, we converted import quantities from kilograms to short tons by multiplying the amounts by the conversion factor 0.001102311.



## **Attachment I**

**Light-Walled Rectangular Pipe and Tube from Korea  
(A-580-859)  
Final Results of the Second Expedited Sunset Review**

**United States Import Volumes  
Imports for Consumption  
(Converted from Kilograms to Short Tons)**

<b>Year</b>	<b>Volume</b>
2007	14,419
2014	320
2015	4
2016	655
2017	17
2018	55

Source: ITC's Interactive Tariff and Trade Dataweb

Based on import data under HTSUS numbers 7306.61.50.00 and 7306.61.70.60.

Light-Walled Rectangular Pipe and Tube from Mexico  
(A-201-836)  
Final Results of the Second Expedited Sunset Review

United States Import Volumes  
Imports for Consumption  
(Converted from Kilograms to Short Tons)

<b>Year</b>	<b>Volume</b>
2007	116,691
2014	95,936
2015	84,437
2016	111,171
2017	105,640
2018	99,294

Source: ITC's Interactive Tariff and Trade Dataweb

Based on import data under HTSUS numbers 7306.61.50.00 and 7306.61.70.60.

Light-Walled Rectangular Pipe and Tube from Turkey  
(A-489-815)  
Final Results of the Second Expedited Sunset Review

United States Import Volumes  
Imports for Consumption  
(Converted from Kilograms to Short Tons)

Year	Volume
2007	12,874
2014	5,510
2015	9,034
2016	8,266
2017	14,801
2018	10,893

Source: ITC's Interactive Tariff and Trade Dataweb

Based on import data under HTSUS numbers 7306.61.50.00 and 7306.61.70.60.

Light-Walled Rectangular Pipe and Tube from China  
(A-570-914)  
Final Results of the Second Expedited Sunset Review

United States Import Volumes  
Imports for Consumption  
(Converted from Kilograms to Short Tons)

Year	Volume
2007	71,184
2014	269
2015	926
2016	1,176
2017	465
2018	274

Source: ITC's Interactive Tariff and Trade Dataweb

Based on import data under HTSUS numbers 7306.61.50.00 and 7306.61.70.60.