



A-489-501
Administrative Review
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November 30, 2018

MEMORANDUM TO: Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

FROM: James Maeder
Associate Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations
performing the duties of Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Final Results of
Antidumping Duty Administrative Review: Welded Carbon Steel
Standard Pipe and Tube Products from Turkey; 2016-2017

I. SUMMARY

The Department of Commerce (Commerce) has analyzed the comments submitted by the interested parties following publication of the *Preliminary Results*¹ in the administrative review of the antidumping duty (AD) order on welded carbon steel standard pipe and tube products (pipe and tube) from Turkey, covering the period of review (POR) May 1, 2016, to April 30, 2017. This review covers the following companies: Borusan Istikbal Ticaret T.A.S. (Borusan Istikbal) and Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (Borusan Mannesmann) (collectively, Borusan);² Toscelik Profil ve Sac Endustrisi A.S., Tosyali Dis Ticaret A.S., and Toscelik Metal Ticaret A.S. (Toscelik Metal) (collectively, Toscelik);³ Borusan Birlesik Boru Fabrikalari San ve

¹ See *Welded Carbon Steel Standard Pipe and Tube Products from Turkey: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2016-2017*, 83 FR 26951 (June 11, 2018) (*Preliminary Results*) and accompanying Memorandum, “Decision Memorandum for Preliminary Results of Antidumping Duty Administrative Review: Welded Carbon Steel Standard Pipe and Tube Products from Turkey; 2016-2017,” dated June 4, 2018 (Preliminary Decision Memorandum).

² As explained in the *Preliminary Results*, Commerce treated Borusan Mannesmann Boru Sanayi ve Ticaret A.S. and Borusan Istikbal Ticaret T.A.S. as a single entity in this administrative review. See Preliminary Decision Memorandum at 1 n.1.

³ In prior segments of this proceeding, we treated Toscelik Profil ve Sac Endustrisi A.S., Tosyali Dis Ticaret A.S.,

Tic (Borusan Birlesik); Borusan Gemlik Boru Tesisleri A.S. (Borusan Gemlik); Borusan Ihracat Ithalat ve Dagitim A.S. (Borusan Ihracat); Borusan Ithicat ve Dagitim A.S. (Borusan Ithicat); Tubeco Pipe and Steel Corporation (Tubeco); Erbosan Erciyas Boru Sanayi ve Ticaret A.S. (Erbosan); and Yücel Boru ve Profil Endustrisi A.S. (Yücel Boru), Yücelboru Ihracat Ithalat ve Pazarlama A.S. (Yücel boru), and Cayirova Boru Sanayi ve Ticaret A.S. (Cayirova) (collectively, Yücel Group).

Based upon our analysis of the comments received, we made changes from the *Preliminary Results* to the margin calculations for Borusan and Toscelik. Based on those changes, we continue to find that Borusan sold pipe and tube in the United States below normal value (NV), and that Toscelik did not sell pipe and tube in the United States below NV. We recommend that you approve the positions described in the “Discussion of the Issues” section of this memorandum. Below is a complete list of issues for which we received comments from parties.

II. LIST OF COMMENTS

Comment 1: Yücel Group’s No-Shipments Claim

Comment 2: Calculation of Toscelik’s Total Cost of Manufacture

Comment 3: Calculation of Toscelik’s Average Cost of Production

Comment 4: Calculation of Borusan’s Gross Unit Price

III. BACKGROUND

Commerce published the *Preliminary Results* in the *Federal Register* on June 11, 2018.⁴ On June 21, 2018, we placed on the record certain entry documents we obtained from Customs and Border Protection (CBP).⁵ We received comments on those documents from the Yücel Group.⁶

In accordance with 19 CFR 351.309(c), we invited parties to comment on our *Preliminary Results*.⁷ On August 22, 2018, we received case briefs from Wheatland Tube Company (the petitioner), Borusan, and Toscelik.⁸ On August 29, 2018, we received a rebuttal brief from the Yücel Group.⁹ On October 2, 2018, we extended the deadline for the final results of this

and Toscelik Metal as a single entity. See, e.g., *Welded Carbon Steel Standard Pipe and Tube Products from Turkey: Final Results of Antidumping Duty Administrative Review; 2012–2013*, 79 FR 71087, 71088 n.8 (December 1, 2014). However, in a prior review, we found that Toscelik Metal has ceased to exist. *Id.* There is no record evidence that warrants altering this treatment. Therefore, for these final results, we are treating Toscelik and Tosyali as a single entity and continuing to find that Toscelik Metal no longer exists.

⁴ See *Preliminary Results*.

⁵ See Memorandum, “Customs Entry Documents,” dated June 21, 2018.

⁶ See Yücel Group’s Letter, “Circular Welded Carbon Steel Pipe and Tube from Turkey; Yücel comments on entry documents,” dated June 29, 2018.

⁷ See *Preliminary Results*, 83 FR at 26953.

⁸ See Petitioner’s Case Brief, “Welded Carbon Steel Pipe from Turkey: Case Brief,” dated August 23, 2018 (Petitioner Case Brief); Borusan’s Case Brief, “Circular Welded Carbon Steel Pipes and Tubes from Turkey, Case No. A-489-501: Case Brief,” August 22, 2018 (Borusan Case Brief); Toscelik’s Case Brief, “Circular Welded Carbon Steel Standard Pipe and Tube from Turkey; Toscelik case brief,” dated August 22, 2018 (Toscelik Case Brief).

⁹ See Yücel Group’s Rebuttal Brief, “Circular Welded Carbon Steel Pipe and Tube from Turkey; Yücel rebuttal

administrative review until October 30, 2018.¹⁰ On October 30, 2018, we extended the deadline for the final results until November 30, 2018.¹¹

Commerce has conducted this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

IV. SCOPE OF THE ORDER¹²

The products covered by this *Order* are welded carbon steel standard pipe and tube products with an outside diameter of 0.375 inch or more but not over 16 inches of any wall thickness, and are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090. Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive. These products, commonly referred to in the industry as standard pipe or tube, are produced to various ASTM specifications, most notably A-120, A-53, or A-135.

V. DISCUSSION OF THE ISSUES

Comment 1: Yücel Group's No-Shipment Claim

Petitioner's Case Brief:¹³

- The Customs entry documents that Commerce placed on the record on June 21, 2018, demonstrate that Yücel had shipments of subject merchandise to the United States during the POR and, thus, that its prior no-shipment claim was fallacious.
- Yücel argued in its June 29, 2018, comments that the shipments at issue are not subject merchandise because they were made to the ASTM A500 specification, and are, thus, structural pipe, not standard pipe, and, therefore, not subject merchandise. However, Commerce has addressed the issue in prior segments of this proceeding, stating that structural pipe is within the scope of the *Order*. Commerce has said that, although the subject merchandise is “generally known as standard pipe,” the subject merchandise “might also be called structural or mechanical tubing.”¹⁴

brief,” dated August 29, 2018 (Yücel Group's Rebuttal Brief).

¹⁰ See Memorandum, “Welded Carbon Steel Standard Pipe and Tube Products from Turkey: Extension of Deadline for Final Results of Antidumping Duty Administrative Review,” dated October 2, 2018.

¹¹ See Memorandum, “Welded Carbon Steel Standard Pipe and Tube Products from Turkey: Extension of Deadline for Final Results of Antidumping Duty Administrative Review,” dated October 30, 2018.

¹² See *Antidumping Duty Order; Welded Carbon Steel Standard Pipe and Tube Products from Turkey*, 51 FR 17784 (May 15, 1986) (*Order*). Note that the HTSUS did not exist at the time the order went into effect, so the references to the HTSUS numbers did not appear in the scope contained in the order.

¹³ See Petitioner Case Brief at 1-7.

¹⁴ *Id.* at 2, citing *Circular Welded Carbon Steel Pipes and Tube from Turkey; Amended Final Results of Antidumping Duty Administrative Review; 2010 to 2011*, 78 FR 286 (January 3, 2013); *Welded Carbon Steel Standard Pipe and Tube Products from Turkey: Final Results of Antidumping Duty Administrative Review; 2012-2013*, 79 FR 71087 (December 1, 2014) (*Pipe and Tube Turkey Final 2012-2013*) and accompanying Issues and Decision Memorandum (IDM) at Comments 1 and 2.

- Commerce has also referenced structural pipe as in-scope merchandise in dozens of segments of this proceeding for decades. In fact, A500 pipe has its own weight code for the GRADEH/U data fields in this review, and in all reviews since the 2012-13 segment.
- Consistent with its established practice with respect to the treatment of false claims of no-shipments, Commerce should assign a margin based upon total adverse facts available (AFA).¹⁵
- Commerce erred in its respondent selection memorandum in stating that it had never collapsed the three Yücel entities.¹⁶ In previous liquidation instructions, Commerce has assigned all three Yücel companies the same company-specific number. Thus, Commerce has previously determined that the three Yücel entities are a single entity. For this reason, Commerce should assign the AFA rate to all three companies.

Yücel Group’s Rebuttal Brief:¹⁷

- The Court of Appeals for the Federal Circuit (CAFC) and Court of International Trade (CIT) have repeatedly held that, once Commerce has issued an antidumping or countervailing duty order, it may interpret the scope of an order, but absent resort to its anti-circumvention authority, may not modify it.¹⁸
- Commerce’s regulations concerning scope make no provision for finding a product within scope because Commerce has treated a product as within scope in a previous segment of a proceeding. Thus, it makes no difference that Commerce may have referenced structural pipe as in-scope merchandise in dozens of segments of this proceeding. Decades of errors in dozens of reviews cannot change the scope of an order. The scope language that the petitioner cites that includes “structural or mechanical tubing” is erroneous language that crept into the scope language of this *Order*, perhaps because this *Order* was included in a 2006 multi-country sunset notice that included other orders for which that scope language was appropriate.¹⁹
- The scope language of the *Order* twice states that it is “an antidumping order with respect to welded carbon steel standard pipe and tube products from Turkey.” The repetition of the phrase “standard pipe and tube” is clearly intentional and signifies that the *Order* does not cover products other than standard pipe and tube.²⁰
- If, *arguendo*, the term “standard pipe” is deemed ambiguous, Commerce may look to the “description of the merchandise contained in the petition, the initial investigation, and the

¹⁵ *Id.* at 4, citing *Certain Steel Threaded Rod from the People’s Republic of China: Final Results and Final Partial Rescission of Antidumping Duty Administrative Review*, 76 FR 68400 (November 4, 2011) (*Threaded Rod China Final*).

¹⁶ *Id.*, citing Memorandum, “Administrative Review of the Antidumping Duty Order on Welded Carbon Steel Standard Pipe and Tube Products from Turkey: Respondent Selection,” dated September 26, 2017 at 3, n. 15.

¹⁷ See Yücel Group’s Rebuttal Brief at 1-16.

¹⁸ See Yücel’s Rebuttal Brief at 2, citing *Bell Supply Co. LLC v. United States*, 179 F. Supp. 3d 1082, 1019 Ct. Int’l Trade LEXIS 43* (2016); *Duferco Steel, Inc. v. United States*, 296 F.3d 1087, 1095 (Fed. Cir. 2002); *Fedmet Resources Corp. v. United States*, 755 F.3d 912, 921-22 (Fed. Cir. 2014); *Tak Fat Trading Co. v. United States*, 396 F.3d 1378, 1382-83 (Fed. Cir. 2005); *Trade Assocs. Grp. v. United States*, 128 F. Supp. 3d 1322, 1330 (CIT 2015).

¹⁹ *Id.* at 10-11, citing *Continuation of Antidumping Duty Orders on Circular Welded Non-Alloy Pipes and Tubes from Brazil, Mexico, Republic of Korea, Antidumping Duty Orders on Welded Carbon Steel Pipe from India, Thailand and Turkey, and Countervailing Duty Order on Welded Carbon Steel Standard Pipe from Turkey*, 71 FR 44996 (August 8, 2006).

²⁰ *Id.* at 5.

determinations of the Secretary (including prior scope determinations) and the Commission.”²¹ As the petition is uniquely in the hands of the petitioner, who chose not to submit it in a factual response to Yücel’s June 29, 2018, comments, Commerce should make an adverse inference that the language of the petition, if provided, would have supported the proposition that the scope of this case is limited to standard pipe, to the exclusion of structural pipe, such as ASTM A500.²²

- The International Trade Commission (ITC) report in the original investigation clearly differentiated between subject standard pipe and non-subject structural pipe,²³ and the ITC’s injury analysis was predicated upon this distinction. There is no question here of a minor alteration or a subsequent development. Structural pipe existed at the time of the *Order*, as is clear from the ITC report, and by restricting the *Order* to standard pipe, the *Order* excluded structural pipe as much as it excluded line pipe, OCTG, or square and rectangular pipe.²⁴
- Even though Commerce has, at times, misunderstood and misstated the scope of the *Order*, as in the questionnaires in this review, it has at other times shown that it understands the distinction between standard and structural pipe, such as in the final results of the 2012-13 review of this *Order*.²⁵
- There are many circular pipe AD orders in which the scope does cover structural pipe.²⁶ In those orders, the scope language specifically states that it covers both standard and structural pipe.²⁷ Thus, the petitioner is capable of bringing a dumping case on both standard and structural pipe, but that is not what occurred in 1986 in the investigation that led to the present *Order*.²⁸
- The ASTM standards for A53 and A500 specifications show that A53 is intended for conveyance of liquids and gases, whereas A500 is intended for structural purposes. Thus, they are not the same product, and structural pipe, therefore, would not be included in an antidumping order on standard pipe.²⁹
- Yücel was never placed on notice that ASTM A500 pipe was subject to the *Order*. During the 1993-94 administrative review of this *Order*, which was the first administrative review in which Yücel was a respondent, the wording of the scope clearly covered only standard pipe. Furthermore, Yücel was verified during that review, including an on-site inspection of its facilities. From this verification and inspection, Yücel understood that Commerce had thoroughly vetted Yücel’s plants and made a clear distinction between subject (standard) pipe and non-subject (structural, square/rectangular, etc.) pipe.³⁰

²¹ *Id.*, citing 19 CFR 351.225(k)(1).

²² See Yücel’s Rebuttal Brief at 5.

²³ *Id.*, at 6, citing *Certain Welded Carbon Steel Pipes and Tubes from India, Taiwan, And Turkey*, Investigations Nos. 731-TA-271 through 273, USITC Pub. 1839 (1986).

²⁴ See Yücel’s Rebuttal Brief at 7.

²⁵ *Id.* at 8, citing *Welded Carbon Steel Standard Pipe and Tube Products from Turkey: Final Results of Antidumping Duty Administrative Review; 2012-2013*; 79 FR 71087 (December 1, 2014), and accompanying IDM at Comment 1.

²⁶ *Id.* at 9.

²⁷ *Id.* at 9-10, citing *Circular Welded Carbon-Quality Steel Pipe from the Sultanate of Oman, Pakistan, and the United Arab Emirates: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Orders*, 81 FR 91906 (December 19, 2016) and *Notice of Antidumping Duty Order: Circular Welded Carbon Quality Steel Pipe from the People’s Republic of China*, 73 F 42547 (July 22, 2008).

²⁸ See Yücel’s Rebuttal Brief at 10.

²⁹ *Id.* at 11-12.

³⁰ *Id.* at 13.

- Even if Yücel erred in its belief that ASTM A500 was outside the scope of the *Order*, Yücel’s no-shipments letter does not warrant application of AFA.³¹
 - The petitioner has cited to no statutory authority for its AFA argument and, instead, relies solely on *Threaded Rod China Final*. However, the petitioner’s reliance on this case in misplaced. In *Threaded Rod China Final*, the respondent provided no explanation of its no-shipment letter after Commerce placed contrary information on the record. Here, Yücel has provided a fulsome explanation of its basis for believing its shipments to be non-subject merchandise.³²
 - Commerce is required to evaluate the “situation that resulted in the administering authority using an adverse inference in selecting among the facts otherwise available.”³³ With regard to this requirement, the relevant facts are that Yücel participated responsibly and in good faith in a number of antidumping proceedings, made a good faith effort to determine whether it shipped subject merchandise to the United States during the POR, and even if it had not filed its no-shipment letter, would not have been selected as a mandatory respondent in this administrative review. For these reasons, even if Commerce were to decide that Yücel did not participate to the best of its ability, Commerce should exercise its discretion under 776(d)(2) of the Act to apply the rate for non-selected respondents in the final results.³⁴
 - It is Commerce’s practice to apply the non-selected respondents’ rate to a company that submits an erroneous no-shipments letter.³⁵ A mere “contradiction” between entry documents and a no-shipments letter does not rise to the level of an AFA event.

Commerce’s Position: As an initial matter, we note that the scope language that the petitioner quotes in its case brief is incorrect. The language the petitioner cites is from the amended final results of the 2010-2011 administrative review of the *Order*, which published on January 3, 2013.³⁶ Subsequent to publication of that notice, Commerce made note of the fact that the scope language it had used in some prior notices was incorrect. Specifically, in the preliminary results of the 2011-2012 review, Commerce stated:

Beginning in 1996, we note we inadvertently used an incorrect case name and incorrect scope language in many of our notices in this case. The Department is using the original and correct case name and scope in this segment, as reflected in the original 1986 order. *See Antidumping Duty Order: Welded Carbon Steel Standard Pipe and Tube Products from Turkey*, 51 FR 17784 (May 15, 1986).³⁷

³¹ *Id.* at 14.

³² *Id.*

³³ *Id.* at 14, citing section 776(d)(2) of the Act.

³⁴ See Yücel’s Rebuttal Brief at 14-15.

³⁵ *Id.* at 15, citing *Circular Welded Carbon Steel Pipes and Tubes from Turkey: Final Results of Countervailing Duty Administrative Review: Calendar Year 2015*, 82 FR 47479 (October 12, 2017), and accompanying IDM at Comment 5.

³⁶ See Petitioner Case Brief at 2, citing *Circular Welded Carbon Steel Pipes and Tubes from Turkey; Amended Final Results of Antidumping Duty Administrative Review; 2010 to 2011*, 78 FR 286 (January 3, 2013).

³⁷ See *Welded Carbon Steel Standard Pipe and Tube Products from Turkey: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 34340 (June 7, 2013), at footnote 5.

The correct scope language is the language used in the preliminary results of this administrative review, which is identical to that used in the *Order* except for use of Harmonized Tariff Schedule numbers rather than Tariff Schedule of the United States numbers. It reads as follows:

The products covered by this order are welded carbon steel standard pipe and tube products with an outside diameter of 0.375 inch or more but not over 16 inches of any wall thickness, and are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, and 7306.30.50.90. Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive. These products, commonly referred to in the industry as standard pipe or tube, are produced to various ASTM specifications, most notably A-120, A-53 or A-135.³⁸

Thus, the correct scope language does not state that structural pipe is included in the scope of the *Order*.

Moreover, the final results of the 2012-2013 administrative review of this *Order* (to which the petitioner cites) do not substantiate the petitioner's statement that "Commerce has addressed the issue of whether structural pipe (specifically pipe made to ASTM A500 standard) is subject merchandise in prior segments of this proceeding."³⁹ In comment 1 of the final results of the 2012-2013 administrative review, Commerce explained the classification system with respect to grade (GRADEH/U) that it had used in the related preliminary results, which differed from the classification used in prior administrative reviews of the *Order*.⁴⁰ Furthermore, in comment 2 of the 2012-2013 final results, Commerce was addressing whether it should collapse ASTM A53 grade A and ASTM A53 grade B into a single grade category.⁴¹ Accordingly, references Commerce made to structural and standard pipe when addressing these issues did not reach the question of whether structural pipe may be covered under this *Order* for standard pipe, nor do such references constitute a scope ruling on the issue.

Further, the weight code for ASTM A500 that appears in the questionnaire issued in this review in the GRADEH/U fields is not determinative as to whether a product constitutes subject merchandise. That the questionnaire issued in this review referenced ASTM A500 is due to Commerce's policy objective of standardizing the information requested for the physical characteristics across all standard pipe proceedings (including other orders), irrespective of the differences in the scopes of the various orders.

³⁸ Compare *Order*, 51 FR 17784 (using original scope language using harmonized tariff schedule numbers), with *Preliminary Results*, 83 FR at 26953 (using Tariff Schedule of the United States numbers).

³⁹ See Petitioner Case Brief at 2, citing *Pipe and Tube Turkey Final 2012-2013* and accompanying IDM at Comments 1 and 2.

⁴⁰ See *Pipe and Tube Turkey Final 2012-2013*, and accompanying IDM at Comment 1.

⁴¹ *Id.* at Comment 2.

We agree with the Yücel Group that this *Order* covers standard pipe and tube, and that we cannot alter the scope of the *Order* except in a manner that accords with the relevant provisions of the Act and Commerce’s regulations.⁴² The issue before us is whether structural pipe constitutes a form of standard pipe, and whether structural pipe is, thus, also covered under the scope of the *Order*. The ITC report to which Yücel cites is not conclusive because it does not provide a definition of “standard” and “structural” pipe based on their physical characteristics, or describe what overlap (if any) may exist between them. The utility of the ITC report is further limited for purposes of determining whether the *Order*’s scope includes structural pipe, because the administrative record of this review does not contain the complete ITC report, but rather only the selected quotes from the report that Yücel chose to cite.⁴³ Moreover, the Yücel Group’s citation to Commerce’s response to comment 1 of the final results of the 2012-2013 administrative review of this *Order* is likewise not conclusive because (as explained above with respect to the petitioner’s citation to that same comment) the references to structural pipe in that administrative review did not constitute a ruling on whether or not structural pipe was within the scope of the *Order*.

We do not agree with Yücel that Commerce should make an “adverse inference that the language of the petition, if provided, would have supported the proposition that the scope of this case is limited to standard pipe, to the exclusion of structural pipe such as ASTM A500.”⁴⁴ The public version of the petition is on file in Commerce’s Central Records Unit located in room B8024 of the main Commerce Building, and is, thus, not “uniquely in petitioners’ hands” as the Yücel Group alleges. As a factual matter, no party chose to submit it to the record of this review. Moreover, Commerce’s application of facts available must conform to statutory requirements, which are not met here, with respect to the petitioner’s decision not to put the petition on the record, as Commerce did not request that information, nor did the petitioner refuse to provide that information.⁴⁵

As noted above, deciding the issue of whether structural pipe is covered by the *Order* would require a formal scope determination.⁴⁶ However, the record of this administrative review contains insufficient information to make such a determination, and no party has requested a scope inquiry for structural pipe in accordance with Commerce’s regulations. Accordingly, to determine whether a party had shipments of subject merchandise during the POR, Commerce must examine record evidence and use the correct existing scope language. The customs entry documents on the record indicate that Yücel had shipments of pipe that were entered as subject merchandise.⁴⁷ Furthermore, if this classification of the entries was an error on the part of Yücel’s importer (as Yücel maintains), it is telling that there is no record evidence that Yücel or its importer ever attempted to correct this alleged error. That is, the record evidence suggests that Yücel’s importer believed this to be subject merchandise upon entry, and the importer’s declaration to that effect was apparently never subsequently modified by the importer, suggesting that it continued to believe it was subject merchandise, even after entry. Therefore,

⁴² See 19 CFR 351.225.

⁴³ See Yücel Group’s Rebuttal Brief at 6-7; see also See Yücel Group’s Letter, “Circular Welded Carbon Steel Pipe and Tube from Turkey; Yücel comments on entry documents,” dated June 29, 2018, at 2-3.

⁴⁴ See Yücel Group’s Rebuttal Brief at 5.

⁴⁵ See section 776(a)-(b) of the Act.

⁴⁶ See 19 CFR 351.225.

⁴⁷ See Memorandum, “Custom’s Entry Documents,” dated June 21, 2018.

we agree with the petitioner that, in accordance with the limited evidence on the record, Yücel's claim of no-shipment is unsubstantiated and we have determined to reject 's no-shipment claim.

However, we do not agree with the petitioner that we should apply AFA to Yücel. First, the case the petitioner cites to substantiate its allegation that Commerce's practice is to apply AFA to companies that make false no-shipment claims is inapposite. In *Threaded Rod China Final*, Commerce applied AFA to a respondent because Commerce determined that the respondent had failed to cooperate to the best of its ability. Specifically, the respondent had provided inaccurate information about its shipments (*i.e.*, it claimed to have had no shipments) and also did not respond to information Commerce placed on the record demonstrating that it did have shipments of subject merchandise.⁴⁸ That fact pattern differs from the one present in this administrative review because we find that Yücel's interpretation of the scope is not unreasonable, and we find that Yücel did submit an explanation of the basis for its no-shipment claim.⁴⁹

Furthermore, in some orders, Commerce has distinguished between products based on ASTM specifications, in the manner that Yücel asserts that it did here in distinguishing between standard pipe and structural pipe.⁵⁰ In other orders where the scope included both standard and structural pipe the scope language explicitly mentions both by name.⁵¹ Therefore, we determine that it was not unreasonable for Yücel to think that its shipments of structural pipe were not covered under the *Order*. For this reason, we cannot conclude that Yücel failed to act to the best of its ability, as is required by the statute for Commerce to apply AFA.⁵²

However, we do agree with the petitioner that we should apply the selected rate to all of the three Yücel entities. Commerce has treated these three companies as a single entity in prior reviews of this order, and there is no record information that would warrant altering this treatment.⁵³ Therefore, in these final results of review we have applied the rate for respondents not selected for individual examination to all three Yücel companies.

⁴⁸ See *Threaded Rod China Final*, and accompanying IDM at Comment 3.

⁴⁹ See Yücel Group's Letter, "Circular Welded Carbon Steel Pipe and Tube from Turkey; Yücel comments on entry documents," dated June 29, 2018.

⁵⁰ See *Notice of Antidumping Duty Order: Circular Welded Carbon Quality Steel Pipe from the People's Republic of China*, 73 FR 42547 (July 22, 2008); *Circular Welded Carbon-Quality Steel Pipe from the United Arab Emirates: Final Determination of Sales at Less Than Fair Value*, 77 FR 64475, 64476 (Oct. 22, 2012); *Circular Welded Carbon-Quality Steel Pipe from the Sultanate of Oman, Pakistan, and the United Arab Emirates: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Orders* 81 FR 91906 (December 19, 2016).

⁵¹ See *Circular Welded Carbon Steel Pipes and Tubes from Thailand*, 51 FR 8341 (March 11, 1986); *Final Determination of Sales at Less Than Fair Value: Circular Welded Non-Alloy Steel Pipe from Mexico*, 57 FR 42953 (September 17, 1992).

⁵² See section 776(b)(1) of the Act.

⁵³ See *Notice of Preliminary Results of Antidumping Duty Administrative Review: Certain Welded Carbon Steel Pipe and Tube from Turkey*, 70 FR 33084 (June 7, 2005); unchanged in *Notice of Final Results of Antidumping Duty Administrative Review: Certain Welded Carbon Steel Pipe and Tube from Turkey*, 70 FR 73447 (December 12, 2005).

Comment 2: Calculation of Toscelik’s Total Cost of Manufacture

Toscelik’s Case Brief:⁵⁴

- Commerce erred in its calculation of total cost of manufacture (TCOMCOP) for control numbers (CONNUMs) during quarters for which there was no production. Specifically, Commerce included in the calculation of TCOMCOP a variable representing total direct materials, but also included in the calculation of TCOMCOP four variables representing each of four direct materials, while also omitting two variables that represented two of the remaining direct materials.
- Commerce should recalculate TCOMCOP for the final results using a correct formula.

No other party commented on this issue.

Commerce’s Position: We agree with Toscelik, and we have corrected this error in these final results of review. *See* the final results analysis memorandum for details.⁵⁵

Comment 3: Calculation of Toscelik’s Average Cost of Production

Toscelik’s Case Brief:⁵⁶

- Commerce made an error in the macros program for the CONNUMS during quarters for which there was no production. Specifically, the dataset NOPRODUCTION is added twice to the dataset AVGCOST. As a result, the dataset AVGCOST has duplicate NOPRODUCTION records. When the duplicate records are later deleted using the NODUPKEY function, the resulting AVGCOST dataset contains incorrect costs for the CONNUMS with surrogate costs.
- Commerce should correct this error in the final results.

No other party commented on this issue.

Commerce’s Position: We agree with Toscelik, and we have corrected this error in these final results of review. *See* the final results analysis memorandum for details.⁵⁷

Comment 4: Calculation of Borusan’s Gross Unit Price

Borusan’s Case Brief:⁵⁸

- Commerce made a ministerial error in the calculation of gross unit price for home market sales invoiced in U.S. dollars. Specifically, for home market sales invoiced in U.S. dollars

⁵⁴ *See* Toscelik Case Brief at 1-2.

⁵⁵ *See* Memorandum, “Analysis for the Final Results of the Antidumping Duty Administrative Review of Welded Carbon Steel Standard Pipe and Tube Products from Turkey: Toscelik Profil ve Sac Endustrisi (Toscelik),” dated November 30, 2018 (Toscelik Final Results Analysis Memorandum).

⁵⁶ *See* Toscelik Case Brief at 2-3.

⁵⁷ *See* Toscelik Final Results Analysis Memorandum.

⁵⁸ *See* Borusan Case Brief at 1-7.

Commerce calculated home market price as the sum of the USD invoice value in GRSUPR2H and the equivalent Turkish lira value reported in the field GRSUPR1H.

- Commerce should eliminate this double-counting of sales revenue for the final results.

No other party commented on this issue.

Commerce's Position: We agree with Borusan, and we have corrected this error in these final results of review. See the final results analysis memorandum for details.⁵⁹

RECOMMENDATION

Based on our analysis of the comments received, we recommend adopting the above positions. If these recommendations are accepted, we will publish the final results of this review and the final weighted-average dumping margins in the *Federal Register*.



Agree



Disagree

11/30/2018

X



Signed by: GARY TAVERMAN

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

⁵⁹ See Memorandum, "Analysis for the Final Results of the Antidumping Duty Administrative Review of Welded Carbon Steel Standard Pipe and Tube Products from Turkey: Borusan Istikbal Ticaret T.A.S. and Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (Borusan)," dated November 30, 2018.