



DEPARTMENT OF COMMERCE

International Trade Administration

A-489-816

Certain Oil Country Tubular Goods From the Republic of Turkey: Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances, in Part

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

SUMMARY: The Department of Commerce (the Department) determines that imports of certain oil country tubular goods (OCTG) from the Republic of Turkey are being, or likely to be, sold in the United States at less than fair value (LTFV), as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The final weighted-average dumping margins of sales at LTFV are listed in the “Final Determination” section of this notice.

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

FOR FURTHER INFORMATION CONTACT: Catherine Cartsos, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1757.

SUPPLEMENTARY INFORMATION

Background

On February 25, 2014, the Department published the *Preliminary Determination* in the *Federal Register*.¹ In the *Preliminary Determination*, we postponed the final determination until no later than 135 days after the publication of the *Preliminary Determination* in

¹ See *Certain Oil Country Tubular Goods From the Republic of Turkey: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination*, 79 FR 10484 (February 25, 2014) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum.

accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii) and (e) and invited parties to comment on our *Preliminary Determination*. We received case and rebuttal briefs from Maverick (one of the petitioners)², Çayırova Boru Sanayi ve Ticaret A.Ş. and Yücel Boru İthalat-İhracat ve Pazarlama A.Ş. (collectively Yücel), and a rebuttal brief from Borusan Mannesmann Boru Sanayi ve Ticaret and Borusan İstikbal Ticaret (collectively Borusan) in May and June 2014. On June 13, 2014, we conducted a hearing in this investigation.

Period of Investigation

The period of investigation is July 1, 2012, through June 30, 2013.

Scope of the Investigation

The merchandise covered by the investigation is certain oil country tubular goods (OCTG), which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the investigation also covers OCTG coupling stock.

Excluded from the scope of the investigation are: casing or tubing containing 10.5 percent or more by weight of chromium; drill pipe; unattached couplings; and unattached thread protectors. The merchandise subject to the investigations is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers:

² Boomerang Tube, Energex Tube, a division of JMC Steel Group, Maverick Tube Corporation (Maverick), Northwest Pipe Company, Tejas Tubular Products, TMK IPSCO, United States Steel Corporation, Vallourec Star, L.P., and Welded Tube USA Inc. (collectively, the petitioners).

7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.31.10, 7304.29.31.20, 7304.29.31.30, 7304.29.31.40, 7304.29.31.50, 7304.29.31.60, 7304.29.31.80, 7304.29.41.10, 7304.29.41.20, 7304.29.41.30, 7304.29.41.40, 7304.29.41.50, 7304.29.41.60, 7304.29.41.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.61.15, 7304.29.61.30, 7304.29.61.45, 7304.29.61.60, 7304.29.61.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.29.10.30, 7306.29.10.90, 7306.29.20.00, 7306.29.31.00, 7306.29.41.00, 7306.29.60.10, 7306.29.60.50, 7306.29.81.10, and 7306.29.81.50.

The merchandise subject to the investigation may also enter under the following HTSUS item numbers: 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.39.00.36, 7304.39.00.40, 7304.39.00.44, 7304.39.00.48, 7304.39.00.52, 7304.39.00.56, 7304.39.00.62, 7304.39.00.68, 7304.39.00.72, 7304.39.00.76, 7304.39.00.80, 7304.59.60.00, 7304.59.80.15, 7304.59.80.20, 7304.59.80.25, 7304.59.80.30, 7304.59.80.35, 7304.59.80.40, 7304.59.80.45, 7304.59.80.50, 7304.59.80.55, 7304.59.80.60, 7304.59.80.65, 7304.59.80.70, 7304.59.80.80, 7305.31.40.00, 7305.31.60.90, 7306.30.50.55, 7306.30.50.90, 7306.50.50.50, and 7306.50.50.70.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

Analysis of the Comments Received

All issues raised in the case briefs by parties to this investigation are addressed in the Issues and Decision Memorandum.³ A list of the issues which parties have raised and to which we have responded is in the Issues and Decision Memorandum and attached to this notice as an Appendix. The Issues and Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and it is available to all parties in the Central Records Unit (CRU), room 7046 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and the electronic versions of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Determination

Based on our analysis of the comments received, pre-verification corrections, and our findings at verifications, we have made certain changes to the margin calculations for Borusan and Yücel.⁴

Verification

³ See the memorandum from Deputy Assistant Secretary Christian Marsh to Acting Assistant Secretary Ronald K. Lorentzen entitled "Issues and Decision Memorandum for the Final Affirmative Determination in the Less than Fair Value Investigation of Certain Oil Country Tubular Goods from the Republic of Turkey" dated concurrently with this notice and hereby adopted by this notice (Issues and Decision Memorandum).

⁴ For a discussion of these changes, see Memorandum to Neal Halper entitled "Cost of Production and Constructed Value Calculation Adjustments for the Final Determination - Borusan" dated concurrently with this notice and Memorandum to the File entitled "Final Determination of Sales at Less Than Fair Value in the Antidumping Duty Investigation of Certain Oil Country Tubular Goods from the Republic of Turkey - Analysis Memorandum for Borusan" dated concurrently with this notice. See also Memorandum to Neal Halper entitled "Constructed Value Calculation Adjustments for the Final Determination- Cayirova Boru Sanayi ve Ticaret A.S." dated concurrently with this notice and Memorandum to the File entitled "Final Determination of Sales at Less Than Fair Value in the Antidumping Duty Investigation of Certain Oil Country Tubular Goods from the Republic of Turkey - Analysis Memorandum for Yücel."

As provided in section 782(i) of the Act, we conducted sales and cost verifications of the questionnaire responses submitted by Borusan and Yücel. We used standard verification procedures, including examination of relevant accounting and production records, as well as original source documents provided by both companies.⁵

Affirmative Determination of Critical Circumstances, in Part

On December 18, 2013, the petitioners filed a timely critical circumstances allegation, pursuant to section 733(e)(1) of the Act and 19 CFR 351.206(c)(1), alleging that critical circumstances exist with respect to imports of the merchandise under consideration. Based on our analysis, pursuant to 735(a)(3), we find that critical circumstances exist for all other producers and exporters, but not for Borusan or for Yücel.

Disclosure

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

Continuation of Suspension of Liquidation

As noted above, for this final determination, the Department found that critical circumstances exist with respect to the all other producers or exporters. Therefore, in accordance with section 735(c)(4)(B) of the Act, the Department will instruct U.S. Customs

⁵ See Memoranda to the File entitled “Verification of the Sales Response of Borusan Mannesmann Boru Sanayi ve Ticaret A.S. and its affiliates in the Less-Than-Fair-Value Investigation of Certain Oil Country Tubular Goods from the Republic of Turkey” dated May 14, 2014, “Verification of the Sales and Further Manufacturing Responses of Borusan Mannesmann Boru Sanayi ve Ticaret A.S. and its affiliates in the Less-Than-Fair-Value Investigation of Certain Oil Country Tubular Goods from the Republic of Turkey” dated May 16, 2014, and “Verification of the Cost Response of Borusan Mannesmann Boru Sanayi ve Ticaret A.S. Antidumping Duty Investigation of Certain Oil Country Tubular Goods from the Republic of Turkey” dated May 14, 2014. See also Memoranda to the File entitled “Verification of the Sales Response of Çayırova Boru Sanayi ve Ticaret A.Ş. and Yücel Boru İthalat-İhracat ve Pazarlama A.Ş., Ltd., in the Less-Than-Fair-Value Investigation of Certain Oil Country Tubular Goods from the Republic of Turkey” dated May 31, 2014, and “Verification of the Cost Response of Çayırova Boru Sanayi ve Ticaret A.Ş. Less-Than-Fair-Value Investigation of Certain Oil Country Tubular Goods from the Republic of Turkey” dated May 14, 2014.

and Border Protection (CBP) to suspend liquidation of all entries of OCTG from Turkey from all other producers or exporters which were entered, or withdrawn from warehouse, for consumption on or after November 27, 2013, which is 90 days prior to the date of publication of the *Preliminary Determination* in the *Federal Register*, and require a cash deposit for such entries as noted below. With respect to Yücel, pursuant to section 735(c)(1)(B) of the Act, the Department will instruct CBP to continue to suspend liquidation of all entries of OCTG from Turkey from Yücel which were entered, or withdrawn from warehouse, for consumption on or after February 25, 2014, the date of publication of the *Preliminary Determination*. Because the Department reached a negative final determination with respect to Borusan, we will continue to instruct CBP to not suspend liquidation of entries or collect a cash deposit for this company.

In the final determination of the companion countervailing duty investigation on OCTG from Turkey, the Department determined that the all other companies benefitted from export subsidies.⁶ Pursuant to sections 735(c)(1) and 772(c)(1)(C) of the Act and 19 CFR 351.210(d), the Department will instruct CBP to require cash deposits equal to the weighted-average dumping margins indicated below, adjusted where appropriate for export subsidies.

We will instruct CBP to require a cash deposit equal to the weighted-average amount by which normal value exceeds U.S. price, as follows: (1) the rate for Yücel will be the rate we determined in this final determination; (2) if the exporter is not a firm identified in this investigation but the producer is, the rate will be the rate established for the producer of the subject merchandise; (3) the rate for all other producers or exporters will be 35.86 percent, as

⁶ See *Certain Oil Country Tubular Goods from the Republic of Turkey: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination*, dated concurrently with this notice.

discussed in the “All Others Rate” section, below. These suspension of liquidation and cash deposit instructions will remain in effect until further notice.

Final Determination

The Department determines that the following dumping margins exist for the period July 1, 2012, through June 30, 2013:

Exporter/Manufacturer	Weighted-Average Dumping Margin
Borusan Mannesmann Boru Sanayi ve Ticaret and Borusan Istikbal Ticaret (collectively Borusan)	0.00 %
Çayırova Boru Sanayi ve Ticaret A.Ş. and Yücel Boru İthalat-İhracat ve Pazarlama A.Ş. (collectively Yücel)	35.86%
All Others	35.86 %

All Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated “all others” rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely under section 776 of the Act. In this final determination, we have assigned the “All Others” a rate based on the weighted-average dumping margin calculated for Yücel, the only company for which the Department calculated a rate.

U.S. International Trade Commission Notification

In accordance with section 735(d) of the Act, we notified the U.S. International Trade Commission (ITC) of our final determination. As our final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will determine within 45 days whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of the subject

merchandise. If the ITC determines that such injury exists, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

Return or Destruction of Proprietary Information

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

We are issuing and publishing this determination and notice pursuant to sections 735(d) and 777(i)(1) of the Act.

Dated: July 10, 2014.

Ronald K. Lorentzen,
Acting Assistant Secretary
for Enforcement and Compliance.

APPENDIX

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Critical Circumstances
- IV. Scope of the Investigation
- V. Margin Calculations
- VI. Discussion of the Issues
 - 1. Duty Drawback
 - 2. Constructed Value Selling Expenses for Yücel
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 - 4. Borusan's Home Market Sales
 - 5. Standard J55 and Upgradeable J55
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 - 7. Differential Pricing Analysis: Thresholds for the Results of the Ratio Test
 - 8. Treatment of Borusan's Second-Quality Pipe
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- VII. Recommendation