



This document is scheduled to be published in the Federal Register on 10/13/2015 and available online at <http://federalregister.gov/a/2015-25980>, and on [FDsys.gov](http://FDsys.gov)

BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-876]

Welded Line Pipe from the Republic of Korea: Final Determination of Sales at Less Than Fair Value

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

SUMMARY: The Department of Commerce (the Department) determines that welded line pipe from the Republic of Korea (Korea) is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733(b) of the Tariff Act of 1930, as amended (the Act). The period of investigation (POI) is October 1, 2013, through September 30, 2014. The final dumping margins of sales at LTFV are listed below in the “Final Determination” section of this notice.

EFFECTIVE DATE: (INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER.)

FOR FURTHER INFORMATION CONTACT: David Goldberger or Ross Belliveau, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Ave. NW, Washington, DC 20230; telephone: (202) 482-4136 or (202) 482-4952, respectively.

SUPPLEMENTARY INFORMATION:

### Background

On May 22, 2015, the Department published the Preliminary Determination of sales at LTFV of welded line pipe from Korea.<sup>1</sup> For a history of events following the publication of the

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<sup>1</sup> See Welded Line Pipe From the Republic of Korea: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination, 80 FR 29620 (May 22, 2015) (Preliminary Determination).

Preliminary Determination, see the Issues and Decision Memorandum,<sup>2</sup> which is hereby adopted by this notice. 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 (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and it is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed Issues and Decision Memorandum and electronic version of the Issues and Decision Memorandum are identical in content.

#### Scope of the Investigation

The scope of the investigation covers welded line pipe, which is carbon and alloy steel pipe of a kind used for oil and gas pipelines, not more than 24 inches in nominal outside diameter. For a complete description of the scope of the investigation, see Appendix I.

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Issues and Decision Memorandum,<sup>3</sup> which is hereby adopted by this notice. A list of the issues raised is attached to this notice as Appendix II.

#### Verification

As provided in section 782(i) of the Act, during the period June through August 2015, we verified the sales and cost information submitted by HYSCO and SeAH for use in our final determination. We used standard verification procedures, including an examination of relevant

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<sup>2</sup> See Memorandum entitled "Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Welded Line Pipe from the Republic of Korea," dated concurrently with this notice (Issues and Decision Memorandum).

<sup>3</sup> See Id.

accounting and production records, and original source documents provided by HYSCO and SeAH.<sup>4</sup>

#### Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations for HYSCO and SeAH. For a discussion of these changes, see the “Margin Calculations” section of the Issues and Decision Memorandum.

#### 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 margins determined entirely under section 776 of the Act. In this investigation, we calculated weighted-average dumping margins for both mandatory respondents that are above de minimis and which are not based on section 776 of the Act. However, because there are only two relevant weighted-average dumping margins for this final determination, using a weighted-average of these two rates risks disclosure of business proprietary data. Therefore, the Department assigned a margin to the all-others rate companies based on the simple average of the two mandatory respondents’ rates.<sup>5</sup>

#### Final Determination

The final weighted-average dumping margins are as follows:

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<sup>4</sup> See Memoranda to the File entitled “Verification of the Cost Response of SeAH Steel Corporation in the Antidumping Duty Investigation of Welded Line Pipe from Korea,” and “Verification of the Cost Response of Hyundai HYSCO Co. Ltd. in the Antidumping Duty Investigation of Welded Line Pipe from South Korea,” dated July 31, 2015; Memorandum to the File entitled “Verification of the Sales Responses of Hyundai HYSCO (HYSCO),” dated August 18, 2015; and Memorandum to the File entitled “Verification of the Sales Responses of SeAH Steel Corporation (SeAH) and Pusan Pipe America (PPA),” dated August 24, 2015.

<sup>5</sup> See Memorandum to the File entitled “Calculation of the All-Others Rate for the Final Determination in the Antidumping Duty Investigation of Welded Line Pipe from the Republic of Korea,” dated concurrently with this memorandum.

Exporter/Manufacturer	Weighted-Average Dumping Margin (percent)
Hyundai HYSCO <sup>6</sup>	6.19
SeAH Steel Corporation	2.53
All-Others	4.36

Disclosure

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

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, the Department will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of welded line pipe from Korea, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after May 22, 2015, the date of publication of the preliminary determination of this investigation in the Federal Register.

Further, the Department will instruct CBP to require a cash deposit equal to the amount by which normal value exceeds U.S. price as follows: (1) for the mandatory respondents listed above, the cash deposit rate will be equal to the dumping margin which the Department determined in this final determination adjusted, as appropriate, for export subsidies found in the final determination of the companion countervailing duty investigation;<sup>7</sup> (2) if the exporter is not a mandatory respondent identified in this investigation, but the producer is, the cash deposit rate will be the rate established for the producer of the subject merchandise; and (3) the cash deposit

<sup>6</sup> See discussion in footnote 2 above.

<sup>7</sup> In this case, although the product under investigation is also subject to a countervailing duty investigation, the Department found no countervailing duty determined to constitute an export subsidy. Therefore, we did not offset the cash deposit rates shown above for purposes of this determination.

rates for all other producers or exporters will be 4.36 percent. The suspension of liquidation instructions will remain in effect until further notice.

#### ITC Notification

In accordance with section 735(d) of the Act, we will notify the ITC of the final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of welded line pipe from Korea no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

#### Notification Regarding Administrative Protective Orders (APO)

This notice serves as a reminder to parties subject to APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely notification of the return or 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.

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Dated; October 5, 2015

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Paul Piquado,  
Assistant Secretary  
for Enforcement and Compliance.

## **Appendix I**

### **Scope of the Investigation**

The merchandise covered by this investigation is circular welded carbon and alloy steel (other than stainless steel) pipe of a kind used for oil or gas pipelines (welded line pipe), not more than 24 inches in nominal outside diameter, regardless of wall thickness, length, surface finish, end finish, or stenciling. Welded line pipe is normally produced to the American Petroleum Institute (API) specification 5L, but can be produced to comparable foreign specifications, to proprietary grades, or can be non-graded material. All pipe meeting the physical description set forth above, including multiple-stenciled pipe with an API or comparable foreign specification line pipe stencil is covered by the scope of this investigation.

The welded line pipe that is subject to this investigation is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030, 7305.11.5000, 7305.12.1030, 7305.12.5000, 7305.19.1030, 7305.19.5000, 7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150. The subject merchandise may also enter in HTSUS 7305.11.1060 and 7305.12.1060. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

## Appendix II

### List of Topics Discussed in the Issues and Decision Memorandum

#### General Comments

1. Differential Pricing Analysis
2. Other Issues Related to Differential Pricing Analysis
3. Selection of Additional Mandatory/Voluntary Respondents
4. Consolidation of Grade Codes
5. Reasonableness of the Reported Costs

#### Company- Specific Comments

##### HYSCO

6. HYSCO's Classification of Certain "Local Sales" as Home Market Sales
7. Sales of Non-Prime Merchandise
8. Revision of Certain Home Market Shipment and Sales Dates
9. Allocation of Full Costs to the Production of Non-Prime Products
10. Alleged Errors Relating to the Major Input Analysis
11. Revision of G&A Expenses
12. Financial Expense Ratio
13. Constructed Value Profit
14. Affiliated Processors' Cost Data and Adjustments to the Toll Processing Costs
15. Adjustment to Steel Costs to Reflect Yield Loss
16. Unreconciled Cost Difference
17. Adjustment for Certain Fees Paid to Affiliates

##### SeAH

18. Domestic Inland Freight
19. U.S. Credit Expenses
20. U.S. Indirect Selling Expenses
21. Affiliated Party Purchases
22. G&A Expenses
23. Production Costs of the Pohang Plant
24. Financial Expenses

