



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-428-820

Certain Small Diameter Seamless Carbon and Alloy Standard, Line and Pressure Pipe from Germany: Continuation of Antidumping Duty Order

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

SUMMARY: As a result of the determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC) that revocation of the antidumping duty (AD) order on certain small diameter seamless carbon and alloy standard, line and pressure pipe (seamless pipe) from Germany would likely lead to a continuation or recurrence of dumping and material injury to an industry in the United States, Commerce is publishing a notice of continuation of the AD order.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION: John McGowan, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-3019.

SUPPLEMENTARY INFORMATION:

*Background*

On August 1, 2017, Commerce published the notice of initiation of the fourth sunset review of the AD order on seamless pipe from Germany, pursuant to section 751(c) of the Tariff

Act of 1930, as amended (the Act).<sup>1</sup> As a result of the review, Commerce determined that revocation of the AD order would likely lead to a continuation or recurrence of dumping.<sup>2</sup> Commerce, therefore, notified the ITC of the magnitude of the dumping margins likely to prevail should the AD order be revoked. On February 20, 2018, the ITC published notice of its determination, pursuant to sections 751(c) and 752(a) of the Act, that revocation of the AD order on seamless pipe from Germany would likely lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>3</sup>

#### *Scope of the Order*

The scope of the order includes small diameter seamless carbon and alloy standard, line and pressure pipes (seamless pipes) produced to the ASTM A-335, ASTM A-106, ASTM A-53 and API 5L specifications and meeting the physical parameters described below, regardless of application. The scope of the order also includes all products used in standard, line, or pressure pipe applications and meeting the physical parameters below, regardless of specification.

For purposes of the order, seamless pipes are seamless carbon and alloy (other than stainless) steel pipes, of circular cross-section, not more than 114.3 mm (4.5 inches) in outside diameter, regardless of wall thickness, manufacturing process (hot-finished or cold-drawn), end finish (plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish. These pipes are commonly known as standard pipe, line pipe or pressure pipe, depending upon the application. They may also be used in structural applications. Pipes produced in non-standard

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<sup>1</sup> See *Initiation of Five-Year (Sunset) Reviews*, 82 FR 35748 (August 1, 2017).

<sup>2</sup> See *Certain Small Diameter Seamless Carbon and Alloy Standard, Line and Pressure Pipe from Germany: Final Results of the Expedited Fourth Sunset Review of the Antidumping Duty Order*, 82 FR 57577 (December 6, 2017) (*Final Results*).

<sup>3</sup> See *Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Germany: Investigation No. 731-TA-709 (Fourth Review)*, USITC Publication 4760 (February 2018); see also *Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Germany*, 83 FR 7217 (February 20, 2018).

wall thicknesses are commonly referred to as tubes.

The seamless pipes subject to the order are currently classifiable under subheadings 7304.19.10.20, 7304.19.50.20, 7304.31.60.50, 7304.39.00.16, 7304.39.00.20, 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.51.50.05, 7304.51.50.60, 7304.59.60.00, 7304.59.80.10, 7304.59.80.15, 7304.59.80.20, and 7304.59.80.25 of the Harmonized Tariff Schedule of the United States (HTSUS).

The following information further defines the scope of the order, which covers pipes meeting the physical parameters described above:

Specifications, Characteristics, and Uses: Seamless pressure pipes are intended for the conveyance of water, steam, petrochemicals, chemicals, oil products, natural gas and other liquids and gasses in industrial piping systems. They may carry these substances at elevated pressures and temperatures and may be subject to the application of external heat. Seamless carbon steel pressure pipe meeting the American Society for Testing and Materials (“ASTM”) standard A-106 may be used in temperatures of up to 1000 degrees Fahrenheit, at various American Society of Mechanical Engineers (“ASME”) code stress levels. Alloy pipes made to ASTM standard A-335 must be used if temperatures and stress levels exceed those allowed for A-106 and the ASME codes. Seamless pressure pipes sold in the United States are commonly produced to the ASTM A-106 standard.

Seamless standard pipes are most commonly produced to the ASTM A-53 specification and generally are not intended for high temperature service. They are intended for the low temperature and pressure conveyance of water, steam, natural gas, air and other liquids and gasses in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and

other related uses. Standard pipes (depending on type and code) may carry liquids at elevated temperatures but must not exceed relevant ASME code requirements.

Seamless line pipes are intended for the conveyance of oil and natural gas or other fluids in pipe lines. Seamless line pipes are produced to the API 5L specification.

Seamless pipes are commonly produced and certified to meet ASTM A-106, ASTM A-53 and API 5L specifications. Such triple certification of pipes is common because all pipes meeting the stringent A-106 specification necessarily meet the API 5L and ASTM A-53 specifications. Pipes meeting the API 5L specification necessarily meet the ASTM A-53 specification. However, pipes meeting the A-53 or API 5L specifications do not necessarily meet the A-106 specification. To avoid maintaining separate production runs and separate inventories, manufacturers triple certify the pipes. Since distributors sell the vast majority of this product, they can thereby maintain a single inventory to service all customers.

The primary application of ASTM A-106 pressure pipes and triple certified pipes is in pressure piping systems by refineries, petrochemical plants and chemical plants. Other applications are in power generation plants (electrical-fossil fuel or nuclear), and in some oil field uses (on shore and off shore) such as for separator lines, gathering lines and metering runs. A minor application of this product is for use as oil and gas distribution lines for commercial applications. These applications constitute the majority of the market for the subject seamless pipes. However, A-106 pipes may be used in some boiler applications.

The scope of the order includes all seamless pipe meeting the physical parameters described above and produced to one of the specifications listed above, regardless of application, and whether or not also certified to a non-covered specification. Standard, line and pressure applications and the above-listed specifications are defining characteristics of the scope of the

order. Therefore, seamless pipes meeting the physical description above, but not produced to the A-335, A-106, A-53, or API 5L standards shall be covered if used in a standard, line or pressure application.

For example, there are certain other ASTM specifications of pipe which, because of overlapping characteristics, could potentially be used in A-106 applications. These specifications generally include A-162, A-192, A-210, A-333, and A-524. When such pipes are used in a standard, line or pressure pipe application, such products are covered by the scope of the order.

Specifically excluded from the order are boiler tubing and mechanical tubing, if such products are not produced to A-335, A-106, A-53 or API 5L specifications and are not used in standard, line or pressure applications. In addition, finished and unfinished oil country tubular goods (“OCTG”) are excluded from the scope of the order, if covered by the scope of another antidumping duty order from the same country. If not covered by such an OCTG order, finished and unfinished OCTG are included in the scope when used in standard, line or pressure applications. Finally, also excluded from the order are redraw hollows for cold-drawing when used in the production of cold-drawn pipe or tube.

Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

#### *Continuation of the Order*

As a result of the determinations by Commerce and the ITC that revocation of the AD order would likely lead to a continuation or recurrence of dumping and material injury to an industry in the United States, pursuant to section 751(d)(2) of the Act and 19 CFR 351.218(a), Commerce hereby orders the continuation of the AD order on seamless pipe from Germany.

U.S. Customs and Border Protection will continue to collect AD cash deposits at the rates in effect at the time of entry for all imports of subject merchandise. The effective date of the continuation of the order will be the date of publication in the *Federal Register* of this notice of continuation. Pursuant to section 751(c)(2) of the Act, Commerce intends to initiate the next five-year sunset review of the order not later than 30 days prior to the fifth anniversary of the effective date of continuation.

This five-year sunset review and this notice are in accordance with section 751(c) of the Act and published pursuant to section 777(i)(1) of the Act and 19 CFR 351.218(f)(4).

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Prentiss Lee Smith  
Deputy Assistant Secretary  
for Policy and Negotiations

February 23, 2018

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Date  
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