The Petitions

On July 8, 2020, the U.S. Department of Commerce (Commerce) received countervailing duty (CVD) petitions (Petitions) concerning imports of seamless carbon and alloy steel standard, line, and pressure pipe (seamless pipe) from the Republic of Korea (Korea) and the Russian Federation (Russia), filed in proper form on behalf of Vallourec Star, LP (the petitioner), a domestic producer of seamless pipe.¹

¹ See Petitioner’s Letter, “Petitions for the Imposition of Antidumping and Countervailing Duties: Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Czech Republic, the Republic of Korea, Russia, and Ukraine,” dated July 8, 2020 (the Petitions).
Between July 10 and July 20, 2020, Commerce requested supplemental information pertaining to certain aspects of the Petitions.\(^2\) The petitioner filed responses to these requests between July 14 and July 21, 2020.\(^3\)

In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that the Government of Korea (GOK) and the Government of Russia (GOR) are providing countervailable subsidies, within the meaning of sections 701 and 771(5) of the Act, to producers of seamless pipe in Korea and Russia, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing seamless pipe in the United States. Consistent with section 702(b)(1) of the Act and 19 CFR 351.202(b), for those alleged programs on which we are initiating a CVD investigation, the Petitions were accompanied by information reasonably available to the petitioner supporting its allegations.


Commerce finds that the petitioner filed the Petitions on behalf of the domestic industry because the petitioner is an interested party, as defined in section 771(9)(C) of the Act. Commerce also finds that the petitioner demonstrated sufficient industry support with respect to the initiation of the requested CVD investigations.\textsuperscript{4}

\textbf{Period of Investigation}

Because the Petitions were filed on July 8, 2020, the period of investigation (POI) is January 1, 2019 through December 31, 2019.\textsuperscript{5}

\textbf{Scope of the Investigations}

The merchandise covered by these investigations are seamless pipe from Korea and Russia. For a full description of the scope of these investigations, see the Appendix to this notice.

\textbf{Comments on Scope of the Investigations}

On July 13, 2020, Commerce requested further information from the petitioner regarding the proposed scope to ensure that the scope language in the Petitions is an accurate reflection of the products for which the domestic industry is seeking relief.\textsuperscript{6} On July 15, 2020, the petitioner revised the scope.\textsuperscript{7} The description of the merchandise covered by these investigations, as described in the Appendix to this notice, reflects these clarifications.

As discussed in the \textit{Preamble} to Commerce’s regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (scope).\textsuperscript{8} Commerce will consider all comments received from interested parties and, if necessary, will consult with

\textsuperscript{4} See “Determination of Industry Support for the Petitions” section, \textit{infra}.
\textsuperscript{5} See 19 CFR 351.204(b)(2).
\textsuperscript{6} See General Issues Questionnaire.
\textsuperscript{7} See General Issues Supplement at 4 and Exhibit 3.
\textsuperscript{8} See \textit{Countervailing Duties}, 62 FR 27323 (May 19, 1997).
interested parties prior to the issuance of the preliminary determination. If scope comments include factual information,\textsuperscript{9} all such factual information should be limited to public information. To facilitate preparation of its questionnaires, Commerce requests that all interested parties submit scope comments by 5:00 P.M. Eastern Time (ET) on August 17, 2020, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on August 27, 2020, which is 10 calendar days from the initial comment deadline.\textsuperscript{10}

Commerce requests that any factual information the parties consider relevant to the scope of the investigations be submitted during this time period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be relevant, the party may contact Commerce and request permission to submit the additional information. All such comments must be filed on the records of the concurrent Antidumping and CVD investigations.

**Filing Requirements**

All submissions to Commerce must be filed electronically using Enforcement and Compliance’s Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS), unless an exception applies.\textsuperscript{11} An electronically filed document must be received successfully in its entirety by the time and date it is due.

**Consultations**

\textsuperscript{9} See 19 CFR 351.102(b)(21) (defining “factual information”).

\textsuperscript{10} See 19 CFR 351.303(b).

Pursuant to sections 702(b)(4)(A)(i) and (ii) of the Act, Commerce notified the GOK and the GOR of the receipt of the Petitions and provided an opportunity for consultations with respect to the Petitions.\(^{12}\) Commerce held consultations with the GOK and the GOR on July 21, 2020 and July 23, 2020, respectively.\(^{13}\)

**Determination of Industry Support for the Petitions**

Section 702(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 702(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 702(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, Commerce shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs Commerce to look to producers and workers who produce the domestic like


product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both Commerce and the ITC must apply the same statutory definition regarding the domestic like product,\textsuperscript{14} they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.\textsuperscript{15}

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (\textit{i.e.}, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the investigations.\textsuperscript{16} Based on our analysis of the information submitted on the record, we have determined that seamless pipe, as defined in the scope, constitutes a single domestic like product, and we have analyzed industry support in terms of that domestic like product.\textsuperscript{17}

\textsuperscript{14} See section 771(10) of the Act.
\textsuperscript{16} See Volume I of the Petitions at 12-14 and Exhibits I-7 and I-8.
\textsuperscript{17} For a discussion of the domestic like product analysis as applied to these cases and information regarding industry support, see the Countervailing Duty Investigation Initiation Checklist: Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Republic of Korea (Korea CVD Initiation Checklist), at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Czech Republic, the Republic of Korea, Russia, and Ukraine (Attachment II); see also Countervailing Duty Investigation Initiation Checklist: Seamless Carbon and Alloy Steel
In determining whether the petitioner has standing under section 702(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the “Scope of the Investigations,” in the appendix to this notice. To establish industry support, the petitioner provided its own shipments of the domestic like product in 2019, as well as the shipments of United States Steel Corporation, a supporter of the Petitions, and compared this to the estimated total shipments of the domestic like product for the entire domestic industry. Because total industry production data for the domestic like product for 2019 are not reasonably available to the petitioner, and the petitioner has established that shipments are a reasonable proxy for production data, we have relied on the data provided by the petitioner for purposes of measuring industry support.

Our review of the data provided in the Petitions, the General Issues Supplement, and other information readily available to Commerce indicates that the petitioner has established industry support for the Petitions. First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (e.g., polling). Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of Standard, Line, and Pressure Pipe from Russia (Russia CVD Initiation Checklist), at Attachment II. These checklists are dated concurrently with, and hereby adopted by, this notice and on file electronically via ACCESS.

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18 See Volume I of the Petitions at 4-5 and Exhibits I-1 through I-3; see also General Issues Supplement at 5-10 and Exhibit 6.
19 See Volume I of the Petitions at 4-5 and Exhibit I-1.
20 See Volume I of the Petitions at 4-5 and Exhibits I-1 through I-3; see also General Issues Supplement at 5-10 and Exhibits 6, 9, and 10. For further discussion, see Attachment II of country-specific CVD Initiation Checklists.
21 See Attachment II of the country-specific CVD Initiation Checklists.
22 Id.; see also section 702(c)(4)(D) of the Act.
the total production of the domestic like product.\textsuperscript{23} Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions.\textsuperscript{24} Accordingly, Commerce determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 702(b)(1) of the Act.\textsuperscript{25}

\textbf{Injury Test}

Because Russia and Korea are “Subsidies Agreement Countries” within the meaning of section 701(b) of the Act, section 701(a)(2) of the Act applies to these investigations. Accordingly, the ITC must determine whether imports of the subject merchandise from Russia and/or Korea materially injure, or threaten material injury to, a U.S. industry.

\textbf{Allegations and Evidence of Material Injury and Causation}

The petitioner alleges that imports of the subject merchandise are benefitting from countervailable subsidies and that such imports are causing, or threaten to cause, material injury to the U.S. industry producing the domestic like product. In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.\textsuperscript{26}

The petitioner contends that the industry’s injured condition is illustrated by a significant and increasing volume of subject imports; reduced market share; underselling and price

\textsuperscript{23} See Attachment II of the country-specific CVD Initiation Checklists.
\textsuperscript{24} Id.
\textsuperscript{25} Id.
\textsuperscript{26} See Volume I of the Petitions at 18 and Exhibit I-10.
depression or suppression; declines in production, shipments, capacity utilization, and employment variables; and declining financial performance.27 We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, causation, as well as negligibility, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.28

Initiation of CVD Investigations

Based upon the examination of the Petitions on seamless pipe from Korea and Russia, we find that the Petitions meet the requirements of section 702 of the Act. Therefore, we are initiating a CVD investigation to determine whether imports of seamless pipe from Korea and Russia benefit from countervailable subsidies conferred by the GOK and the GOR, respectively. In accordance with section 703(b)(1) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 65 days after the date of this initiation.

Korea

Based on our review of the Petitions, we find that there is sufficient information to initiate a CVD investigation on 38 alleged programs. For a full discussion of the basis for our decision to initiate on each program, see Korea Initiation Checklist. A public version of the initiation checklist for this investigation is available on ACCESS.

Russia

Based on our review of the Petitions, we find that there is sufficient information to initiate a CVD investigation on 11 alleged programs. For a full discussion of the basis for our

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27 See Volume I of the Petitions at 1, 17-34 and Exhibits I-1, I-2, I-10, and I-12 through I-15.
28 See country-specific CVD Initiation Checklists at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Czech Republic, the Republic of Korea, Russia, and Ukraine.
decision to initiate on each program, see Russia Initiation Checklist. A public version of the
initiation checklist for this investigation is available on ACCESS.

**Respondent Selection**

The petitioner named three companies in Korea and two companies in Russia as
producers/exporters of seamless pipe. Commerce intends to follow its standard practice in
CVD investigations and calculate company-specific subsidy rates in this investigation.

In the event Commerce determines that the number of companies is large and it cannot
individually examine each company based upon Commerce’s resources, where appropriate,
Commerce intends to select respondents based on U.S. Customs and Border Protection (CBP)
data for U.S. imports of seamless pipe from Korea and Russia during the POI under the
appropriate Harmonized Tariff Schedule of the United States numbers listed in the “Scope of the
Investigations,” in the appendix.

On July 21, 2020, Commerce released CBP data for U.S. imports of seamless pipe from
Korea and Russia under Administrative Protective Order (APO) to all parties with access to
information protected by APO and indicated that interested parties wishing to comment
regarding the CBP data and respondent selection must do so within three business days of the
publication date of the notice of initiation of these CVD investigations. Commerce will not
accept rebuttal comments regarding the CBP data or respondent selection. Interested parties
must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b).

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29 See Volume I of the Petitions at Exhibit I-9.
30 See Memorandum, “Countervailing Duty Petition on Imports of Seamless Carbon and Alloy Steel Standard, Line,
and Pressure Pipe from the Russian Federation: Release of U.S. Customs and Border Protection Data,” dated July
21, 2020; see also Commerce’s Letter, Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the
Instructions for filing such applications may be found on the Commerce’s website at http://enforcement.trade.gov/apo.

Comments must be filed electronically using ACCESS. An electronically filed document must be received successfully, in its entirety, by ACCESS no later than 5:00 PM on the date noted above, unless an exception applies. Commerce intends to finalize its decisions regarding respondent selection within 20 days of the publication of this notice.

**Distribution of Copies of the Petitions**

In accordance with section 702(b)(4)(A) of the Act and 19 CFR 351.202(f), a copy of the public version of the Petitions has been provided to the GOK and GOR via ACCESS.

Furthermore, to the extent practicable, Commerce will attempt to provide a copy of the public version of the Petitions to each exporter named in the Petitions, as provided under 19 CFR 351.203(c)(2).

**ITC Notification**

Commerce will notify the ITC of its initiation, as required by section 702(d) of the Act.

**Preliminary Determination by the ITC**

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, whether there is a reasonable indication that imports of seamless pipe from Korea and Russia are materially injuring or threatening material injury to a U.S. industry.\(^{31}\) A negative ITC determination for any country will result in the investigation being terminated with respect to that country.\(^{32}\) Otherwise, the investigations will proceed according to statutory and regulatory time limits.

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\(^{31}\) *See* section 733(a) of the Act.

\(^{32}\) *Id.*
Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)–(iv). Any party, when submitting factual information, must specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted33 and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.34

Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Parties wishing to submit factual information in this investigation are asked to review the regulations prior to submitting factual information in this investigation.

Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, Commerce may elect to specify a different time

33 See 19 CFR 351.301(b).
34 See 19 CFR 351.301(b)(2).
limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, Commerce will inform parties in a letter or memorandum of the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, standalone submission; under limited circumstances Commerce will grant untimely-filed requests for the extension of time limits. Parties should review *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), available at [http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm](http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm), prior to submitting extension requests or factual information in this investigation.

**Certification Requirements**

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information. Parties must use the certification formats provided in 19 CFR 351.303(g). Commerce intends to reject factual submissions if the submitting party does not comply with the applicable certification requirements.

**Notification to Interested Parties**

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. Instructions for filing such applications may be found on the Commerce website at [http://enforcement.trade.gov/apo](http://enforcement.trade.gov/apo). Parties wishing to participate in this investigation should ensure that they meet the requirements of 19 CFR 351.103(d) (*e.g.*, by filing a letter of

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35 *See* section 782(b) of the Act.
appearance). Note that Commerce has temporarily modified certain of its requirements for
serving documents containing business proprietary information until further notice.37

This notice is issued and published pursuant to sections 702 and 777(i) of the Act and 19
CFR 351.203(c).


Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

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37 See Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period, 85 FR 41363 (July 10, 2020).
Appendix

Scope of the Investigations

The merchandise covered by the scope of these investigations is seamless carbon and alloy steel (other than stainless steel) pipes and redraw hollows, less than or equal to 16 inches (406.4 mm) in nominal outside diameter, regardless of wall-thickness, manufacturing process (e.g., hot-finished or cold-drawn), end finish (e.g., plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish (e.g., bare, lacquered or coated). Redraw hollows are any unfinished carbon or alloy steel (other than stainless steel) pipe or “hollow profiles” suitable for cold finishing operations, such as cold drawing, to meet the American Society for Testing and Materials (ASTM) or American Petroleum Institute (API) specifications referenced below, or comparable specifications. Specifically included within the scope are seamless carbon and alloy steel (other than stainless steel) standard, line, and pressure pipes produced to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-589, ASTM A-795, ASTM A-1024, and the API 5L specifications, or comparable specifications, and meeting the physical parameters described above, regardless of application, with the exception of the exclusions discussed below.

Specifically excluded from the scope of the investigations are: (1) all pipes meeting aerospace, hydraulic, and bearing tubing specifications, including pipe produced to the ASTM A-822 standard; (2) all pipes meeting the chemical requirements of ASTM A-335, whether finished or unfinished; and (3) unattached couplings. Also excluded from the scope of the investigations are all mechanical, boiler, condenser and heat exchange tubing, except when such products conform to the dimensional requirements, i.e., outside diameter and wall thickness, of ASTM A-53, ASTM A-106 or API 5L specifications.


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