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DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-897; C-580-898]

Large Diameter Welded Pipe from the Republic of Korea: Final Results of Antidumping Duty and Countervailing Duty Changed Circumstances Reviews

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

SUMMARY: On July 10, 2020, the Department of Commerce (Commerce) published a notice of initiation and expedited preliminary results of the changed circumstances reviews (CCRs) of the antidumping duty (AD) and countervailing duty (CVD) orders on large diameter welded pipe from the Republic of Korea (Korea) which revoked, in part, these orders as they relate to certain specific large diameter welded pipe products. Commerce has adopted the scope exclusion language in these final results.

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

FOR FURTHER INFORMATION CONTACT: Katherine Johnson or Sergio Balbontin, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4929 or (202) 482-6478, respectively.

SUPPLEMENTARY INFORMATION:

Background

On May 2, 2019, Commerce published the AD and CVD orders on large diameter welded

pipe from Korea.¹ On July 10, 2020, Commerce published the *Initiation and Preliminary Results*,² in which Commerce preliminarily revoked, in part, the *Orders* with respect to certain large diameter welded pipe products with specific combinations of grades, diameters, and wall thicknesses, pursuant to a request from SeAH Steel Corporation (SeAH). These products are specified in the exclusion language of the scope provided in the *Initiation and Preliminary Results*.³

SeAH placed on the record of these CCRs comments made by domestic producers,⁴ representing “substantially all” of the domestic industry⁵ in the CCRs of large diameter welded pipe from India. These comments indicate that the domestic industry does not currently produce the particular large diameter welded pipe products subject to the request for partial revocation of the *Orders*, and that the investment needed to do so far exceeds the potential benefit of such investment, given that the U.S. market for deep offshore projects, *i.e.*, the primary market for the large diameter welded pipe product groups at issue, is relatively small.⁶ In addition, in these same comments, the domestic producers provided an explanation indicating that commercial circumstances have changed since the *Orders* were put in place.

¹ See *Large Diameter Welded Pipe from the Republic of Korea: Amended Final Affirmative Antidumping Determination and Antidumping Duty Order*, 84 FR 18767 (May 2, 2019); and *Large Diameter Welded Pipe from the Republic of Korea: Countervailing Duty Order*, 84 FR 18773 (May 2, 2019) (collectively, *Orders*).

² See *Large Diameter Welded Pipe from the Republic of Korea: Initiation and Expedited Preliminary Results of Antidumping and Countervailing Duty Changed Circumstances Reviews*, 85 FR 41536 (July 10, 2020) (*Initiation and Preliminary Results*).

³ *Id* at Attachment.

⁴ These domestic producers are the petitioners in the AD and CVD investigations (American Cast Iron Pipe Company, Berg Steel Pipe Corp./Berg Spiral Pipe Corp., Dura-Bond Industries, Stupp Corporation, individually and as members of the American Line Pipe Producers Association; Greens Bayou Pipe Mill, LP; JSW Steel (USA) Inc.; Skyline Steel; and Trinity Products LLC) and Welspun Global Trade LLC.

⁵ See SeAH’s Letter, “Large Diameter Welded Pipe from Korea – Request for Changed Circumstances Review and Revocation, in Part,” dated June 11, 2020 at Exhibits 1-3. Commerce has interpreted “substantially all” to mean at least 85 percent of the total production of the domestic like product covered by the order. See, e.g., *Supercalendered Paper from Canada: Final Results of Changed Circumstances Review and Revocation of Countervailing Duty Order*, 83 FR 32268 (July 12, 2018).

⁶ See *Initiation and Preliminary Results*, 85 FR at 41538.

Consistent with the CCRs of large diameter welded pipe from India and Greece, in the *Initiation and Preliminary Results*, we found that there was “good cause” to conduct the CCRs less than 24 months after the date of publication of notices of the final determinations in the Korea large diameter welded pipe investigations.⁷ In addition, in the *Initiation and Preliminary Results*, we provided all interested parties an opportunity to comment and to request a public hearing regarding our preliminary findings.⁸ No interested party submitted comments or requested a public hearing.

Scope of the Orders

The merchandise covered by these *Orders* is welded carbon and alloy steel pipe (other than stainless steel pipe), more than 406.4 mm (16 inches) in nominal outside diameter (large diameter welded line pipe), regardless of wall thickness, length, surface finish, grade, end finish, or stenciling. Large diameter welded pipe may be used to transport oil, gas, slurry, steam, or other fluids, liquids, or gases. It may also be used for structural purposes, including, but not limited to, piling. Specifically, not included is large diameter welded pipe produced only to specifications of the American Water Works Association (AWWA) for water and sewage pipe.

Large diameter welded line pipe used to transport oil, gas, or natural gas liquids is normally produced to the American Petroleum Institute (API) specification 5L. Large diameter welded pipe may also be produced to American Society for Testing and Materials (ASTM) standards A500, A252, or A53, or other relevant domestic specifications, grades and/or standards. Large diameter welded line pipe can be produced to comparable foreign

⁷ See 19 CFR 351.216(c). See also *Large Diameter Welded Pipe from India: Final Results of Antidumping Duty and Countervailing Duty Changed Circumstances Reviews*, 85 FR 26930 (May 6, 2020); *Large Diameter Welded Pipe from Greece: Final Results of Antidumping Duty Changed Circumstances Review*, 85 FR 37424 (June 22, 2020); and *Initiation and Preliminary Results*, 85 FR at 41537-38.

⁸ See *Initiation and Preliminary Results*, 85 FR at 41538.

specifications, grades and/or standards or to proprietary specifications, grades and/or standards, or can be non-graded material. All pipe meeting the physical description set forth above is covered by the scope of these *Orders*, whether or not produced according to a particular standard.

Subject merchandise also includes large diameter welded pipe that has been further processed in a third country, including but not limited to coating, painting, notching, beveling, cutting, punching, welding, or any other processing that would not otherwise remove the merchandise from the scope of the *Orders* if performed in the country of manufacture of the in-scope large diameter welded pipe.

Excluded from the scope are any products covered by the existing antidumping duty order on welded line pipe from the Republic of Korea. *See Welded Line Pipe from the Republic of Korea and the Republic of Turkey: Antidumping Duty Orders*, 80 FR 75056 (December 1, 2015).⁹

Also excluded is large diameter welded pipe in the following combinations of grades, outside diameters, and wall thicknesses:

- Grade X60, X65, or X70, 18 inches outside diameter, 0.688 inches or greater wall thickness;
- Grade X60, X65, or X70, 20 inches outside diameter, 0.688 inches or greater wall thickness;
- Grade X60, X65, X70, or X80, 22 inches outside diameter, 0.750 inches or greater wall thickness; and
- Grade X60, X65, or X70, 24 inches outside diameter, 0.750 inches or greater wall thickness.

⁹ This paragraph does not appear in the scope of the CVD order on large diameter welded pipe from Korea.

The large diameter welded pipe that is subject to these *Orders* is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6090, 7305.39.1000 and 7305.39.5000. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these *Orders* is dispositive.

Final Results of CCRs

Commerce may modify the scope of an AD and/or CVD order as a result of conducting a CCR.¹⁰ For the reasons stated in the *Initiation and Preliminary Results*, Commerce continues to find that it is appropriate to revoke the *Orders*, in part, in accordance with section 782(h)(2) of the Act and 19 CFR 351.222(g)(1)(i), with respect to certain large diameter welded pipe products with specific combinations of grades, diameters, and wall thicknesses, as reflected in the “Scope of the Order” section of this notice.

We will instruct U.S. Customs and Border Protection to terminate the suspension of liquidation for all shipments of the products which are revoked from the *Orders* as a result of these CCRs that were entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. We intend for all entries of the revoked products that were suspended on or after the date of publication of this notice to be liquidated without regard to antidumping duties (*i.e.*, refund all cash deposits).

Notification to Interested Parties

¹⁰ See *Carbon and Alloy Steel Wire Rod from the Republic of Korea and the United Kingdom: Notice of Final Results of Antidumping Duty Changed Circumstances Review*, 84 FR 13888 (April 8, 2019); see also *Certain Steel Nails from the People’s Republic of China: Final Results of Antidumping Duty Changed Circumstances Review*, 84 FR 49508 (September 20, 2019).

We are issuing this determination and publishing these final results and notice in accordance with sections 751(b)(1) and 777(i)(1) and (2) of the Act and 19 CFR 351.216(e), 351.221(b), 351.221(c)(3), 351.222(g)(1) and 351.222(g)(4).

Dated: August 13, 2020.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

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