

DEPARTMENT OF COMMERCE

International Trade Administration

(A-533-857, A-580-870, A-565-802, A-517-804, A-583-850, A-549-832, A-489-816, A-823-815, A-552-817)

Certain Oil Country Tubular Goods from India, the Republic of Korea, the Republic of the Philippines, Saudi Arabia, Taiwan, Thailand, the Republic of Turkey, Ukraine, and the Socialist Republic of Vietnam: Initiation of Antidumping Duty Investigations

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: (Insert date of publication in the *Federal Register*).

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SUPPLEMENTARY INFORMATION:

The Petitions

On July 2, 2013, the Department of Commerce (the Department) received antidumping duty (AD) petitions concerning imports of certain oil country tubular goods (OCTG) from India, the Republic of Korea (Korea), the Republic of the Philippines (the Philippines), Saudi Arabia, Taiwan, Thailand, the Republic of Turkey (Turkey), Ukraine, and the Socialist Republic of Vietnam (Vietnam) filed in proper form on behalf of United States Steel Corporation, Vallourec

Star L.P., TMK IPSCO, Energex (division of JMC Steel Group), Northwest Pipe Company, Tejas Tubular Products, Welded Tube USA Inc., Boomerang Tube LLC, and Maverick Tube Corporation (collectively, the petitioners). The AD petitions were accompanied by two countervailing duty (CVD) petitions.¹ The petitioners are domestic producers of OCTG. On July 8, 2013, the Department requested additional information and clarification of certain areas of the petitions.² The petitioners filed responses to these requests on July 12, 2013, and a further response with respect to Korea on July 15, 2013.³

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioners allege that imports of OCTG from India, Korea, the Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act and that such imports are materially injuring, or threatening material injury to, an industry in the United States. Also, consistent with section 732(b)(1) of the Act, the petitions are accompanied by information reasonably available to the petitioners supporting their allegations.

The Department finds that the petitioners filed these petitions on behalf of the domestic industry because the petitioners are interested parties as defined in section 771(9)(C) of the Act.

¹ See Petitions for the Imposition of Antidumping and Countervailing Duties: Certain Oil Country Tubular Goods from India, the Republic of Korea, the Republic of the Philippines, Saudi Arabia, Taiwan, Thailand, the Republic of Turkey, Ukraine, and the Socialist Republic of Vietnam, dated July 2, 2013 (petitions). Neither Maverick Tube Corporation nor Vallourec Star L.P. is participating in the petition against Saudi Arabia.

² See letter from the Department to the petitioners entitled “Re: Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Certain Oil Country Tubular Goods from India and the Republic of Turkey and Antidumping Duties on Imports of Certain Oil Country Tubular Goods from the Republic of Korea, the Republic of the Philippines, Saudi Arabia, Taiwan, Thailand, Ukraine, and the Socialist Republic of Vietnam: Supplemental Questions” dated July 8, 2013, and letters from the Department to the petitioners entitled “Petition for the Imposition of Antidumping Duties on Imports of Oil Country Tubular Goods from {country}: Supplemental Questions” on each of the country-specific records dated July 8, 2013.

³ See Supplement to all Petitions dated July 12, 2013 (General Issues Supplement), Supplement to the India Petition dated July 12, 2013, Supplements to the Korea Petition dated July 12, 2013, and July 15, 2013, Supplement to the Philippines Petition dated July 12, 2013, Supplement to the Saudi Arabia Petition dated July 12, 2013, Supplement to the Taiwan Petition dated July 12, 2013, Supplement to the Thailand Petition dated July 12, 2013, Supplement to the Turkey Petition dated July 12, 2013, Supplement to the Ukraine Petition dated July 12, 2013, and Supplement to the Vietnam Petition, dated July 12, 2013.

The Department also finds that the petitioners have demonstrated sufficient industry support with respect to the initiation of the AD investigations that the petitioners are requesting. *See* the “Determination of Industry Support for the Petitions” section below.

Periods of Investigations

Because the petitions were filed on July 2, 2013, the period of investigation (POI) for the Vietnam investigation is January 1, 2013, through June 30, 2013. The POI for the India, Korea, the Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, and Ukraine investigations is July 1, 2012, through June 30, 2013.⁴

Scope of the Investigations

The product covered by these investigations is OCTG from India, Korea, the Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam. For a full description of the scope of the investigations, *see* the “Scope of the Investigations,” in Appendix I of this notice.

Comments on Scope of Investigations

During our review of the petitions, the Department issued questions to, and received responses from, the petitioners pertaining to the proposed scope to ensure that the scope language in the petitions would be an accurate reflection of the products for which the domestic industry is seeking relief. As discussed in the preamble to the regulations,⁵ we are setting aside a period for interested parties to raise issues regarding product coverage. The Department encourages all interested parties to submit such comments by August 12, 2013, 5:00 PM Eastern Time.⁶ All comments must be filed on the records of the India, Korea, the Philippines, Saudi

⁴ *See* 19 CFR 351.204(b)(1).

⁵ *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

⁶ Twenty calendar days from the signature date of this notice is August 11, 2013, which is a Sunday. Accordingly, we are setting the deadline on the next business day.

Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam AD investigations as well as the concurrent India and Turkey CVD investigations.

Filing Requirements

All submissions to the Department must be filed electronically using Import Administration's Antidumping Countervailing Duty Centralized Electronic Service System (IA ACCESS).⁷ An electronically filed document must be received successfully in its entirety by the time and date noted above. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Import Administration's APO/Dockets Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the deadline noted above.

Comments on Product Characteristics for Antidumping Duty Questionnaires

The Department requests comments from interested parties regarding the appropriate physical characteristics of OCTG to be reported in response to the Department's antidumping duty questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to report the relevant factors and costs of production accurately as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: 1) general product characteristics and 2) product-comparison criteria. We note that it is not always appropriate to use all product

⁷ See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011) for details of the Department's electronic filing requirements, which went into effect on August 5, 2011. Information on help using IA ACCESS can be found at <https://iaaccess.trade.gov/help.aspx> and a handbook can be found at <https://iaaccess.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

characteristics as product-comparison criteria. We base product-comparison criteria on meaningful commercial differences among products. In other words, while there may be some physical product characteristics utilized by manufacturers to describe OCTG, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, we must receive comments on product characteristics by August 5, 2013. Rebuttal comments must be received by August 12, 2013. All comments and submissions to the Department must be filed electronically using IA ACCESS, as referenced above.

Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(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 732(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, the Department 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 the Department to look to producers and workers who produce the domestic like product. The U.S. 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 the Department and the ITC must apply the same statutory definition regarding the domestic like product,⁸ they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department’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.⁹

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” (*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 petitioners do not offer a definition of domestic like product distinct from the scope of the investigations. Based on our analysis of the information submitted on the record, we have determined that OCTG, as defined in the scope of the investigations, constitute a single domestic like product and we have analyzed industry support in terms of that domestic like product.¹⁰

⁸ See section 771(10) of the Act

⁹ See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989)).

¹⁰ See Antidumping Duty Investigation Initiation Checklist: Oil Country Tubular Goods from India (India AD

In determining whether the petitioners have standing under section 732(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 Investigations” section above. To establish industry support, the petitioners provided their production of the domestic like product in 2012, and compared this to the estimated total production of the domestic like product for the entire domestic industry.¹¹ The petitioners estimated total 2012 production of the domestic like product using domestic shipment data for the OCTG industry adjusted by the ratio of the petitioners’ production to domestic shipments.¹² Maverick Tube Corporation and Vallourec Star L.P. are not the petitioners with respect to the petition for the imposition of ADs on imports of OCTG from Saudi Arabia and both companies state that they take no position with regard to the petition on imports from Saudi Arabia;¹³ therefore, the petitioners provided a separate industry support calculation for the Saudi Arabia petition.¹⁴

On July 10, 2013, we received a submission from EVRAZ Rocky Mountain Steel (Evraz), a domestic producer of OCTG. In the submission, Evraz states that it supports the AD and CVD petitions on OCTG from India, the Philippines, Saudi Arabia, Korea, Taiwan,

Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Oil Country Tubular Goods from the Republic of Korea (Korea AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Oil Country Tubular Goods from the Republic of the Philippines (the Philippines AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Oil Country Tubular Goods from Saudi Arabia (Saudi Arabia AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Oil Country Tubular Goods from Taiwan (Taiwan AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Oil Country Tubular Goods from Thailand (Thailand AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Oil Country Tubular Goods from the Republic of Turkey (Turkey AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Oil Country Tubular Goods from Ukraine (Ukraine AD Initiation Checklist), at Attachment II; and Antidumping Duty Investigation Initiation Checklist: Oil Country Tubular Goods from the Socialist Republic of Vietnam (Vietnam AD Initiation Checklist), at Attachment II. These checklists are dated concurrently with this notice and on file electronically via IA ACCESS. Access to documents filed via IA ACCESS is also available in the Central Records Unit (CRU), Room 7046 of the main Department of Commerce building.

¹¹ See Volume I of the petitions, at 3-4 and Exhibit I-3.

¹² *Id.*

¹³ *Id.* at 1.

¹⁴ See General Issues Supplement, at 7 and Exhibit Supp. I-65.

Thailand, Turkey, Ukraine, and Vietnam. In addition, Evraz provided its 2012 production of the domestic like product.¹⁵

We have relied upon data the petitioners and Evraz provided for purposes of measuring industry support.¹⁶

Based on information provided in the petitions, supplemental submissions, and other information readily available to the Department, we determine that the petitioners have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act for all of the petitions because the domestic producers (or workers) who support each of the petitions account for at least 25 percent of the total production of the domestic like product.¹⁷ Based on information provided in the petitions and other submissions, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act for all of the petitions because the domestic producers (or workers) who support each of 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. Accordingly, the Department determines that the petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.¹⁸

The Department finds that the petitioners filed the petitions on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) of the Act and they have demonstrated sufficient industry support with respect to the antidumping duty

¹⁵ See Letter from EVRAZ Rocky Mountain Steel, dated July 10, 2013, at 1-2.

¹⁶ See India AD Initiation Checklist, Korea AD Initiation Checklist, the Philippines AD Initiation Checklist, Saudi Arabia AD Initiation Checklist, Taiwan AD Initiation Checklist, Thailand AD Initiation Checklist, Turkey AD Initiation Checklist, Ukraine AD Initiation Checklist, and Vietnam AD Initiation Checklist, at Attachment II.

¹⁷ *Id.*

¹⁸ *Id.*

investigations that they are requesting the Department initiate.¹⁹

Allegations and Evidence of Material Injury and Causation

The petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (NV). In addition, the petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.²⁰

The petitioners contend that the industry's injured condition is illustrated by reduced market share; underselling and price depression or suppression; lost sales and revenues; stunted production, shipments, and capacity utilization; hindered growth in employment-related variables; and decline in financial performance.²¹ We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation.²²

Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less than fair value upon which the Department based its decision to initiate AD investigations of imports of OCTG from India, Korea, the Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in greater detail in the country-specific initiation checklists.

¹⁹ *Id.*

²⁰ See General Issues Supplement, at 7-8 and Exhibit Supp. I-66.

²¹ See Volume I of the petitions, at 17-64 and Exhibits I-6 and I-8 through I-54; see also General Issues Supplement, at 8-9.

²² See India AD Initiation Checklist, Korea AD Initiation Checklist, the Philippines AD Initiation Checklist, Saudi Arabia AD Initiation Checklist, Taiwan AD Initiation Checklist, Thailand AD Initiation Checklist, Turkey AD Initiation Checklist, Ukraine AD Initiation Checklist, and Vietnam AD Initiation Checklist, at Attachment III.

Export Price

For India, the petitioners based U.S. price on price quotes and information provided by U.S. trading companies, customers, and foreign entities for subject merchandise sold by trading companies to the United States produced in India by three Indian producers of OCTG.²³

For Korea, the Philippines, Taiwan, Turkey, and Vietnam, the petitioners based U.S. prices on price quotes from sales offers of U.S. distributors/trading companies for subject merchandise in the United States produced in and exported from the subject country by a producer of OCTG in that country.²⁴

For Saudi Arabia, the petitioners based U.S. price on price information provided by U.S. sales representatives for subject merchandise sold to the United States produced in and exported from Saudi Arabia by a Saudi Arabian producer of OCTG.²⁵

For Thailand and Ukraine, because they were unable to obtain price quotes for subject merchandise sold to the United States produced in and exported from these countries, the petitioners based U.S. price on average unit value data for products classified under the appropriate Harmonized Tariff Schedule of the United States (HTSUS) numbers for subject merchandise obtained from the U.S. Census Bureau for subject merchandise imported from these countries into the United States during the POI.²⁶

For India, Korea, the Philippines, Saudi Arabia, Taiwan, Turkey, Ukraine, and Vietnam, the petitioners made deductions for movement and other expenses consistent with the sales and delivery terms.²⁷ For Korea, the petitioners additionally adjusted the quoted U.S. prices as necessary to account for further manufacturing of the OCTG in the United States.²⁸ The

²³ See India AD Initiation Checklist.

²⁴ See Korea AD Initiation Checklist, the Philippines AD Initiation Checklist, Taiwan AD Initiation Checklist, Turkey AD Initiation Checklist, and Vietnam AD Initiation Checklist.

²⁵ See Saudi Arabia AD Initiation Checklist.

petitioners made no other adjustments to U.S. price.

Normal Value

For the Philippines and Taiwan, since home market prices were not reasonably available, the petitioners based NV on reasonably available third-country prices of the foreign like product produced and offered for sale in Canada by a producer of OCTG in the subject country.²⁹

For India, the petitioners based NV on price information obtained through market research for the foreign like product produced and sold in India by three Indian producers of OCTG.³⁰

For Saudi Arabia, the petitioners based NV on home market price quotes for the foreign like product produced and sold in Saudi Arabia by a Saudi Arabian producer of OCTG.³¹

For Thailand, since home market prices were not reasonably available, the petitioners based NV on export statistics from Thailand to Myanmar, the largest export market for foreign like product from Thailand after the United States, from the Global Trade Atlas.³²

For Ukraine, the petitioners based NV on price information provided by market research for the foreign like product produced and sold in Ukraine by a Ukrainian producer of OCTG.³³

For Korea and Turkey, the petitioners were unable to obtain home-market or third-

²⁶ See Thailand AD Initiation Checklist and Ukraine AD Initiation Checklist.

²⁷ See India AD Initiation Checklist, Korea AD Initiation Checklist, the Philippines AD Initiation Checklist, Saudi Arabia AD Initiation Checklist, Taiwan AD Initiation Checklist, Turkey AD Initiation Checklist, Ukraine AD Initiation Checklist, and Vietnam AD Initiation Checklist.

²⁸ See Korea AD Initiation Checklist.

²⁹ Because the petitioners alleged sales below cost (*see* “Sales Below Cost Allegations” section below), the petitioners calculated margins for these countries using constructed value (CV) (*see* “Normal Value Based on Constructed Value” section, below). *See also* the Philippines AD Initiation Checklist and Taiwan AD Initiation Checklist.

³⁰ See India AD Initiation Checklist.

³¹ See Saudi Arabia AD Initiation Checklist.

³² See Thailand AD Initiation Checklist.

³³ See Ukraine AD Initiation Checklist.

country prices; accordingly, the petitioners based NV on CV.³⁴

For India, the Philippines, and Taiwan, the petitioners made deductions for movement expenses consistent with the terms of delivery.³⁵ For India, the petitioners made a deduction for other expenses as well.³⁶ The petitioners made no adjustments to NV for Korea, Saudi Arabia, Thailand, Turkey, and Ukraine.

With respect to Vietnam, the petitioners state that the Department has long treated Vietnam as a non-market economy (NME) country.³⁷ In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for Vietnam has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product is appropriately based on factors of production (FOPs) valued in a surrogate market economy country in accordance with section 773(c) of the Act. In the course of this investigation, all parties, including the public, will have the opportunity to provide relevant information related to the issues of Vietnam's NME status and the granting of separate rates to individual exporters.

The petitioners claim that India is an appropriate surrogate country because it is a market economy that is at a level of economic development comparable to that of Vietnam, it is a significant producer of the merchandise under consideration, and the data for valuing FOPs are both available and reliable.³⁸

Based on the information provided by the petitioners, we believe it is appropriate to use India as a surrogate country for initiation purposes. Interested parties will have the opportunity

³⁴ See Korea AD Initiation Checklist and Turkey AD Initiation Checklist.

³⁵ See India AD Initiation Checklist, the Philippines AD Initiation Checklist, and Taiwan AD Initiation Checklist.

³⁶ See India AD Initiation Checklist.

³⁷ See Volume VIII of the petition, at 2.

³⁸ *Id.* at 3-5.

to submit comments regarding surrogate country selection and will be provided an opportunity to submit publicly available information to value FOPs within 40 days before the scheduled date of the preliminary determination.³⁹

Factors of Production

The petitioners based the FOPs usage for materials, labor and energy on the consumption rates of a U.S. producer of tubular products. The petitioners assert that the experience of the U.S. producer is appropriate for comparison to producers in Vietnam because it is a comparable producer of welded OCTG.⁴⁰

Valuation of Raw Materials

The petitioners valued the FOPs for hot-rolled coil (*i.e.*, the primary raw material used to produce subject merchandise) using publicly available Indian domestic price data published by *Steelworld* in Indian rupees for the period from October 2012 through March 2013, the most recent six-month period for which data were available.⁴¹

The petitioners made a deduction for the value of scrap recovered during the production process based on the average import value of other ferrous waste and scrap using HTSUS subheadings 7204.41 and 7204.49 as published by Global Trade Atlas for the period from October 2012 through March 2013.⁴² The petitioners excluded all import values from countries previously determined by the Department to maintain broadly available, non-industry-specific export subsidies and from countries previously determined by the Department to be NME countries. In addition, in accordance with the Department's practice, the average import value excludes imports that were labeled as originating from an unidentified country.

³⁹ See 19 CFR 351.301(c)(3)(i). Note that this is the revised regulation published on April 1, 2013. See <http://www.gpo.gov/fdsys/pkg/CFR-2013-title19-vol3/html/CFR-2013-title19-vol3.htm>.

⁴⁰ See Volume VIII of the petition at exhibit VIII-14, at 1.

⁴¹ *Id.* at 4.

⁴² *Id.* at exhibit VIII-14, at 5.

Valuation of Labor

The petitioners calculated labor using a 2005 industry-specific wage rate for India from the *Yearbook of Labor Statistics*, a labor database compiled by the International Labor Organization. The petitioners adjusted this wage rate for inflation using the Indian Consumer Price Index as published by the International Monetary Fund.⁴³

Valuation of Energy

The petitioners valued electricity using the same rate used by the Department in *Circular Welded Pipe from Vietnam*, *i.e.*, a 2008 unit cost for electricity in India based on data from the Central Electricity Authority of India.⁴⁴ Similar to *Circular Welded Pipe from Vietnam*, the petitioners did not adjust these data for inflation as they became effective on a variety of different dates.⁴⁵

Valuation of Factory Overhead, Selling, General and Administrative Expenses, and Profit

The petitioners calculated surrogate financial ratios (*i.e.*, manufacturing overhead, selling, general and administrative (SG&A) expenses, and profit) using the audited financial statements of Maharashtra Seamless Limited and Ratnamani Metals & Tubes Ltd., two Indian producers of comparable merchandise (*i.e.*, welded OCTG and other tubular products), for the fiscal year ending March 31, 2012.⁴⁶

Sales Below Cost Allegations

For India, the Philippines, and Taiwan, the petitioners provided information demonstrating reasonable grounds to believe or suspect that sales of OCTG in the Indian market and, for the Philippines and Taiwan, sales of OCTG in the Canadian market, were made at prices

⁴³ *Id.* at exhibit VIII-14, at 6.

⁴⁴ *Id.* at exhibit VIII-14, at 7, and *Circular Welded Carbon-Quality Steel Pipe from Vietnam*, 77 FR 64483 (October 22, 2012).

⁴⁵ *Id.*

⁴⁶ *Id.* at exhibit VIII-14, at 8

below the fully-absorbed cost of production (COP), within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation. The Statement of Administrative Action (SAA), submitted to the Congress in connection with the interpretation and application of the Uruguay Round Agreements Act, states that an allegation of sales below COP need not be specific to individual exporters or producers.⁴⁷ The SAA states that “Commerce will consider allegations of below-cost sales in the aggregate for a foreign country, just as Commerce currently considers allegations of sales at less than fair value on a country-wide basis for purposes of initiating an antidumping investigation.”⁴⁸

Further, the SAA provides that section 773(b)(2)(A) of the Act retains the requirement that the Department have “reasonable grounds to believe or suspect” that below-cost sales have occurred before initiating such an investigation. Reasonable grounds exist when an interested party provides specific factual information on costs and prices, observed or constructed, indicating that sales in the foreign market in question are at below-cost prices.⁴⁹

Cost of Production

Pursuant to section 773(b)(3) of the Act, COP consists of the cost of manufacturing (COM); SG&A expenses; financial expenses; and packing expenses. The petitioners calculated COM based on the petitioners’ experience adjusted for known differences between the U.S. and the industries of the respective country (*i.e.*, India, the Philippines, and Taiwan), during the proposed POI.⁵⁰ Using publicly-available data to account for price differences, the petitioners multiplied the surrogate usage quantities by the surrogate value of the inputs used to manufacture OCTG.

⁴⁷ See SAA, H.R. Doc. No. 103-316 at 833 (1994).

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ See India AD Initiation Checklist, the Philippines AD Initiation Checklist, and Taiwan AD Initiation Checklist.

To determine factory overhead, SG&A, and financial expense rates, the petitioners relied on financial statements of producers of comparable merchandise operating in the respective foreign country.⁵¹

Based upon a comparison of the prices of the foreign like product in the home market or third-country to the calculated COP of the most comparable product, we find reasonable grounds to believe or suspect that sales of the foreign like products were made below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating country-wide cost investigations on sales of OCTG from India in India and on sales of OCTG from the Philippines and Taiwan to Canada.

Normal Value Based on Constructed Value

For India, the Philippines and Taiwan, because they alleged sales below cost, pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioners calculated NV based on CV. The petitioners calculated CV using the same average COM, SG&A, financial expense, and packing figures used to compute the COPs. The petitioners relied on the same financial statements used as the basis for the factory overhead, SG&A, and financial expense rates to calculate the profit rates.⁵²

Korea

The petitioners based NV on CV, as neither a home market nor a third country price was reasonably available. Pursuant to section 773(e) of the Act, CV consists of the COM; SG&A expenses; financial expenses; packing expenses; and profit. The petitioners calculated COM (except depreciation) based on the petitioners' experience adjusted for known differences between the U.S. and Korean industries, during the proposed POI, multiplied by the value of the

⁵¹ *Id.*

⁵² See India AD Initiation Checklist, the Philippines AD Initiation Checklist, and Taiwan AD Initiation Checklist.

inputs used to manufacture OCTG in Korea using publicly-available data.⁵³

To determine depreciation, SG&A, and financial expense rates, the petitioners relied on the financial statements of a Korean producer of comparable merchandise. The petitioners relied on the same financial statements used as the basis for the factory overhead, SG&A, and financial expense rates to calculate the profit rate.⁵⁴

Turkey

The petitioners based NV on CV, as neither a home market nor a third country price was reasonably available. Pursuant to section 773(e) of the Act, CV consists of the COM; SG&A expenses; financial expenses; packing expenses; and profit. The petitioners calculated COM (except factory overhead) and packing expenses based on the petitioners' experience adjusted for known differences between the U.S. and Turkish industries, during the proposed POI, multiplied by the value of the inputs used to manufacture OCTG in Turkey using publicly-available data.⁵⁵

To determine factory overhead, SG&A, and financial expense rates, the petitioners relied on the fiscal year ending 2012 financial statements of a Turkish producer of comparable merchandise. The petitioners relied on the same fiscal year ending 2012 financial statements used as the basis for the factory overhead, SG&A, and financial expense rates to calculate the profit rate.⁵⁶

Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of OCTG from India, Korea, the Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam are being, or are likely to be, sold in the United States at less than fair value. Based on

⁵³ See Korea AD Initiation Checklist.

⁵⁴ *Id.*

⁵⁵ See Turkey AD Initiation Checklist.

⁵⁶ *Id.*

comparisons of export price (EP) to NV in accordance with section 773(a)(1) of the Act, the estimated dumping margins for OCTG from: 1) India range from 12.67 percent to 239.64 percent;⁵⁷ 2) Korea range from 66.19 percent to 158.53 percent;⁵⁸ 3) the Philippines range from 46.04 percent to 56.38 percent;⁵⁹ 4) Saudi Arabia is 53.34 percent;⁶⁰ 5) Taiwan range from 68.44 percent to 70.98 percent;⁶¹ 6) Thailand is 118.32 percent;⁶² 7) Turkey range from 44.52 percent to 47.20 percent;⁶³ and 8) Ukraine range from 25.75 percent to 30.76 percent.⁶⁴ Based on comparisons of EP to NV in accordance with section 773(c) of the Act, the estimated dumping margins for OCTG from Vietnam range from 103.43 percent to 111.47 percent.⁶⁵

Initiation of Antidumping Duty Investigations

Based upon the examination of the AD petitions on OCTG from India, Korea, the Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam, we find that the petitions meet the requirements of section 732 of the Act. Therefore, we are initiating AD investigations to determine whether imports of OCTG from India, Korea, the Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

⁵⁷ See India AD Initiation Checklist.

⁵⁸ See Korea AD Initiation Checklist.

⁵⁹ See the Philippines AD Initiation Checklist.

⁶⁰ See Saudi Arabia AD Initiation Checklist.

⁶¹ See Taiwan AD Initiation Checklist.

⁶² See Thailand AD Initiation Checklist.

⁶³ See Turkey AD Initiation Checklist.

⁶⁴ See Ukraine AD Initiation Checklist.

⁶⁵ See Vietnam AD Initiation Checklist.

Respondent Selection

The petitioners name 48 companies as producers/exporters of OCTG from India, ten companies as producers/exporters of OCTG from Korea, one company as a producer/exporter of OCTG from the Philippines, 13 companies as producers/exporters of OCTG from Saudi Arabia, five companies as producers/exporters of OCTG from Taiwan, three companies as producers/exporters of OCTG from Thailand, five companies as producers/exporters of OCTG from Turkey, three companies as producers/exporters of OCTG from Ukraine, and eight companies as producers/exporters of OCTG from Vietnam.⁶⁶

Following standard practice in AD investigations involving market economy countries, in the event the Department determines that the number of known exporters or producers for any of these investigations is large, the Department may select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports of OCTG from the relevant countries. We intend to release the CBP data under Administrative Protective Order (APO) to all parties with access to information protected by APO within five days of publication of this Federal Register notice.

We intend to make our decision regarding respondent selection within 20 days of publication of this notice. The Department invites comments regarding the CBP data and respondent selection within seven days of publication of this Federal Register notice for India, Korea, the Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, and Ukraine.⁶⁷

With respect to Vietnam, the petitioners have identified eight potential respondents. In accordance with our standard practice for respondent selection for NME countries, we intend to issue quantity and value questionnaires to each potential respondent and base respondent selection on the responses received. In addition, the Department will post the quantity and value

⁶⁶ See the petitions at Volume I, Exhibit I-5.

⁶⁷ See *Bottom Mount Combination Refrigerator-Freezers From the Republic of Korea and Mexico: Initiation of Antidumping Duty Investigations*, 76 FR 23281, 23285 (April 26, 2011).

questionnaire along with the filing instructions on the Import Administration website (<http://ia.ita.doc.gov/ia-highlights-and-news.html>). Exporters and producers of OCTG from Vietnam that do not receive quantity and value questionnaires via mail may still submit a quantity and value response and can obtain a copy from the Import Administration website. The quantity and value questionnaire must be submitted by all Vietnamese exporters/producers no later than August 12, 2013.⁶⁸ All quantity and value questionnaires must be filed electronically using IA ACCESS.

Separate Rates

In order to obtain separate rate status in an NME investigation, exporters and producers must submit a separate rate status application.⁶⁹ The specific requirements for submitting the separate rate application in the Vietnam investigation are outlined in detail in the application itself, which will be available on the Department's website at <http://trade.gov/ia/ia-highlights-and-news.html> on the date of publication of this initiation notice in the *Federal Register*. The separate rate application will be due 60 days after publication of this initiation notice. For exporters and producers who submit a separate rate status application and have been selected as mandatory respondents, these exporters and producers will no longer be eligible for consideration for separate rate status unless they respond to all parts of the questionnaire as mandatory respondents. The Department requires that Vietnam respondents submit a response to both the quantity and value questionnaire and the separate rate application by their respective deadlines in order to receive consideration for separate rate status.

⁶⁸ As noted above, twenty calendar days from the signature date of this notice is August 11, 2013, which is a Sunday. Accordingly, we are setting the deadline on the next business day.

⁶⁹ See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation involving Non-Market Economy Countries (April 5, 2005) ("Separate Rates and Combination Rates Bulletin"), available on the Department's website at <http://trade.gov/ia/policy/bull05-1.pdf>.

Use of Combination Rates

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME Investigation will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of “combination rates” because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.⁷⁰

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the petitions have been provided to the Governments of India, Korea, the Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam via IA ACCESS. To the extent practicable, we 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).

Meeting with the Government of Korea

Pursuant to a request by the Government of Korea, on July 17, 2013, Department officials met with Korean Government officials to discuss that government’s inquiry regarding the status of the Department’s consideration of the petition and industry support, as provided under section 732(b)(3)(B) of the Act.

⁷⁰ See Separate Rates and Combination Rates Bulletin at 6 (emphasis added).

ITC Notification

We have notified the ITC of our initiation, as required by section 732(d) of the Act.

Preliminary Determinations by the ITC

The ITC will preliminarily determine no later than August 16, 2013, whether there is a reasonable indication that imports of OCTG from India, Korea, the Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam are materially injuring or threatening material injury to a U.S. industry. A negative ITC determination for any country will result in the investigation being terminated with respect to that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

Submission of Factual Information

On April 10, 2013, the Department published *Definition of Factual Information and Time Limits for Submission of Factual Information: Final Rule*, 78 FR 21246 (April 10, 2013), which modified two regulations related to AD and CVD proceedings: the definition of factual information (19 CFR 351.102(b)(21)), and the time limits for the submission of factual information (19 CFR 351.301). The final rule identifies five categories of factual information in 19 CFR 351.102(b)(21), which are summarized as follows: (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 the Department; and (v) evidence other than factual information described in (i)–(iv). The final rule requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted 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. The final rule also modified 19 CFR 351.301 so that, rather than providing general time limits, there are specific time limits based on the type of factual information being submitted. These modifications are effective for all proceeding segments initiated on or after May 10, 2013, and thus are applicable to these investigations. Please review the final rule, available at <http://ia.ita.doc.gov/frn/2013/1304frn/2013-08227.txt>, prior to submitting factual information in these investigations.

Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.⁷¹ Parties are hereby reminded that revised certification requirements are in effect for company/government officials, as well as their representatives, in all segments of any AD or CVD proceedings initiated on or after March 14, 2011.⁷² The formats for the revised certifications are provided at the end of the *Interim Final Rule*. Foreign governments and their officials may continue to submit certifications in either the format that was in use prior to the effective date of the *Interim Final Rule*, or in the format provided in the *Interim Final Rule*.⁷³ The Department intends to reject factual information submissions if the submitting party does not comply with the revised certification requirements.

Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, the Department published *Antidumping and*

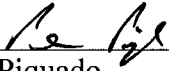
⁷¹ See section 782(b) of the Act.

⁷² See *Certification of Factual Information for Import Administration during Antidumping and Countervailing Duty Proceedings: Interim Final Rule*, 76 FR 7491 (February 10, 2011) (*Interim Final Rule*), amending 19 CFR 351.303(g)(1) and (2).

⁷³ See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings: Supplemental Interim Final Rule*, 76 FR 54697 (September 2, 2011).

Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures, 73 FR 3634 (January 22, 2008). Parties wishing to participate in these investigations should ensure that they meet the requirements of these procedures (e.g., the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

This notice is issued and published pursuant to section 777(i) of the Act.



Paul Piquado
Assistant Secretary
for Import Administration

22 July 2013
Date

Appendix I

Scope of the Investigations

The merchandise covered by the investigations 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 investigations also covers OCTG coupling stock.

Excluded from the scope of the investigations 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: 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 investigations 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 investigations is dispositive.