

DEPARTMENT OF COMMERCE**International Trade Administration**

[C-475-815]

Small Diameter Circular Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe From Italy; Final Results of Full Sunset Review of Countervailing Duty Order

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

ACTION: Notice of final results of full sunset review: Small diameter circular seamless carbon and alloy steel standard, line and pressure pipe from Italy.

SUMMARY: On October 27, 2000, the Department of Commerce ("the Department") published in the **Federal Register** (65 FR 64426) the preliminary results of the full sunset review of the countervailing duty order on small diameter circular seamless carbon and alloy steel standard, line and pressure pipe ("seamless pipe") from Italy, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). We provided interested parties an opportunity to comment on our preliminary results and received comments from domestic and respondent interested parties. As a result of this review, the Department finds that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy. The net countervailable subsidy and the nature of the subsidy are identified in the Final Results of Review section of this notice.

FOR FURTHER INFORMATION CONTACT: Becky J. Hagen or James Maeder, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th & Constitution, NW., Washington, DC 20230; telephone: (202) 482-1277 or (202) 482-3330, respectively.

EFFECTIVE DATE: March 8, 2001.

Statute and Regulations

These reviews were conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) ("Sunset Regulations") and in 19 CFR part 351 (1999) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the

Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-Year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*; Policy Bulletin, 63 FR 18871 (April 16, 1998) ("Sunset Policy Bulletin").

Scope of Review

The merchandise subject to this review includes seamless pipes produced to the American Society for Testing and Materials ("ASTM") standards A-335, A-106, A-53, and American Petroleum Institute ("API") standard API 5L specifications and meeting the physical parameters described below, regardless of application. The scope of this review also includes all products used in standard, line, or pressure pipe applications and meeting the physical parameters below, regardless of specification. For purposes of this review, 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 wall thicknesses are commonly referred to as tubes. The seamless pipes subject to this review are currently classifiable under subheadings 7304.10.10.20, 7304.10.50.20, 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 this review, 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 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 ASTM 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 this review 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 this review. Therefore, seamless pipes meeting the physical description above, but not produced to the ASTM A-335, ASTM A-106, ASTM 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 this review. Specifically excluded from this review are boiler tubing and mechanical tubing, if such products are not produced to ASTM A-335, ASTM A-106, ASTM 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 this review, 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 this scope when used in standard, line or pressure applications. Finally, also excluded from this review 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, our written description of the scope of this order is dispositive.

Background

On October 27, 2000, the Department of Commerce ("the Department") published in the **Federal Register** a notice of preliminary results of the full sunset review of the countervailing duty order on seamless pipe from Italy (65 FR 64426), pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). In our preliminary results, we found that revocation of the order would likely result in continuation or recurrence of a net countervailable subsidy at the rate of 1.47 percent for all Italian seamless pipe producers/exporters.

On November 27, 2000, U.S. Steel Group, a unit of USX Corporation, and Vision Metals, Inc. ("domestic interested parties") requested a hearing in the sunset review. On December 11, 2000, within the deadline specified in 19 CFR 351.309(c)(1)(i), we received a

case brief on behalf of Dalmine S.p.A. ("Dalmine"). On December 18, 2000, domestic interested parties submitted a rebuttal brief. On December 19, 2000, domestic interested parties withdrew their request for a hearing and the Department canceled the hearing.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this sunset review are addressed in the "Issues and Decision Memorandum" ("Decision Memorandum") from Jeffrey A. May, Director, Office of Policy, Import Administration, to Bernard T. Carreau, Deputy Assistant Secretary, Import Administration, dated February 28, 2001, which is hereby adopted by this notice. The issues discussed in the Decision Memorandum include the automatic initiation of this sunset review, the likelihood of continuation or recurrence of countervailable subsidies, and the net countervailable subsidy likely to prevail were the order revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in the Central Records Unit, room B-099, of the main Commerce Building.

In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov>. The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

As a result of this review, the Department finds that revocation of the countervailing duty order on seamless pipe from Italy would be likely to lead to continuation or recurrence of a countervailable subsidy at the rates listed below:

Producer/exporter	Margin (percent):
All Italian producers/exporters	1.47

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of return/destruction of APO material or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This five-year ("sunset") review and notice are in accordance with sections

751(c), 752, and 777(i)(1) of the Act. This notice is published pursuant to section 703(c)(2) of the Act.

Dated: February 28, 2001.

Timothy J. Hauser,

Acting Under Secretary for International Trade.

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DEPARTMENT OF COMMERCE

International Trade Administration

[C-475-817]

Oil Country Tubular Goods ("OCTG") From Italy; Final Results of Sunset Review of Countervailing Duty Order

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

ACTION: Notice of final results of full sunset review: Oil country tubular goods ("OCTG") from Italy.

SUMMARY: On October 30, 2000, the Department of Commerce ("the Department") published a notice of preliminary results of the full sunset review of the countervailing duty order on oil country tubular goods ("OCTG") from Italy (65 FR 64668) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). We provided interested parties an opportunity to comment on our preliminary results. We received a case brief from respondent interested party, Dalmine S.p.A. ("Dalmine"). In addition, we received a rebuttal brief from domestic interested party, U.S. Steel Group, a unit of USX Corp ("U.S. Steel"). As a result of this review, the Department finds that revocation of this order would be likely to lead to continuation or recurrence of subsidies at the levels indicated in the **Final Results of Review** section of this notice.

EFFECTIVE DATE: March 8, 2001.

FOR FURTHER INFORMATION CONTACT:

Martha Douthit or James P. Maeder, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-5050 or (202) 482-3330, respectively.

SUPPLEMENTARY INFORMATION:

Statute and Regulations

This review is being conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-*