

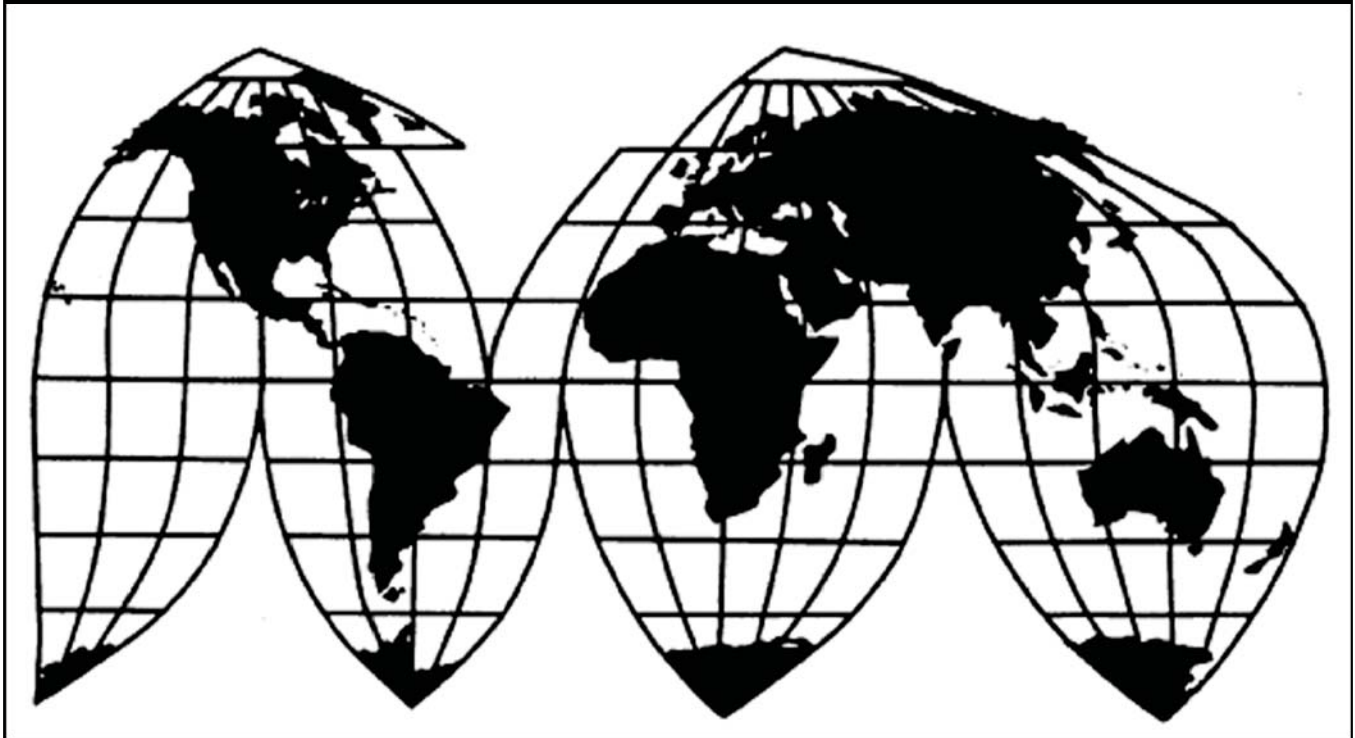
Certain Welded Large Diameter Line Pipe from Mexico

Investigation No. 731-TA-920 (Review) (Remand)

Publication 4227

April 2011

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

COMMISSIONERS

Deanna Tanner Okun, Chairman
Irving A. Williamson, Vice Chairman
Charlotte R. Lane
Daniel R. Pearson
Shara L. Aranoff
Dean A. Pinkert

Robert B. Koopman
Acting Director of Operations

Staff assigned

Dana Lofgren, Investigator
Karl von Schrittz, Attorney
Steven Hudgens, Statistician
Douglas Corkran, Supervisory Investigator

Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436
www.usitc.gov

Certain Welded Large Diameter Line Pipe from Mexico

Investigation No. 731-TA-920 (Review) (Remand)

Publication 4227



April 2011

CONTENTS

	<i>Page</i>
Views of the Commission	1
Separate Views of Commissioner Dean A. Pinkert	19
Background	R-1
The industry in Mexico	R-2
Overview	R-2
CWLDLP operations	R-4
Alternative products	R-6
Additional Mexican industry data	R-7
Comments by Mexican producers regarding the effects of the orders and the likely effects of revocation	R-8
Comments by Mexican producers regarding the significance of the orders in terms of trade and related data	R-8
Comments by Mexican producers regarding anticipated changes in trade and related data if the orders were to be revoked	R-9
Appendix	
A. <i>Federal Register</i> notices	A-1

Note.—The public version cites to which the opinions refer are to the public version that was transmitted to the NAFTA Chapter 19 Binational Panel. Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

VIEWS OF THE COMMISSION

By decision and order dated January 18, 2011, a NAFTA Chapter 19 Binational Panel affirmed in part and remanded in part the Commission's negative determination in the five-year review of the antidumping duty order on certain welded large diameter line pipe ("CWLDLP") from Mexico.¹ Upon consideration of the remand order and evidence in the record of this review, we determine again that revocation of the antidumping duty order covering CWLDLP from Mexico would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.^{2 3}

I. BACKGROUND

On October 2, 2007, the Commission determined, by a 5-1 vote, that revocation of the antidumping duty order on CWLDLP from Mexico would not likely result in the continuation or recurrence of material injury to the domestic industry producing CWLDLP within a reasonably foreseeable time.⁴

On November 21, 2007, U.S. Steel requested a binational panel review of the Commission's negative five-year review determination with respect to the antidumping duty order on CWLDLP from Mexico.⁵

On April 21, 2008, Mexican producer Tuberias Procarsa, S.A. de C.V. ("Procarsa") attempted to file a revised version of its foreign producers' questionnaire response with the Commission. On April 24, 2008, the Commission rejected the submission, explaining that the submission was untimely because it was submitted well after the deadline for making factual submissions in the underlying five-year review and well after the Commission's determination.⁶

¹ *Certain Welded Large Diameter Line Pipe From Japan and Mexico, Inv. Nos. 731-TA-919 and 920 (Review)*, USITC Publication 3953, October 2007 ("Original Views").

² Commissioners Lane and Pinkert determine that revocation of the antidumping duty order covering CWLDLP from Mexico would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. Commissioner Lane adopts her analysis from the Original Views in its entirety. Commissioner Pinkert joins section I of these views except where noted. His analysis of the issues presented in this remand proceeding are discussed in his Separate Views.

³ The administrative record contains substantial evidence to support our conclusions. We are mindful that the Panel will review our determination under the substantial evidence standard and that a basic tenet of that standard as set forth by the Supreme Court is that "the possibility of drawing two inconsistent conclusions from the evidence does not prevent an administrative agency's finding from being supported by substantial evidence." Consolo v. Federal Maritime Commission, 383 U.S. 607, 620 (1966), quoted in Matsushita Elec. Indus. Co. v. United States, 750 F.2d 927, 933 (Fed. Cir. 2984); accord Committee for Fairly Traded Venezuelan Cement v. United States, 279 F. Supp. 2d 1314, m 1323 (Ct. Int'l Trade 2003), aff'd 372 F.3d 1284 (Fed. Cir. 2004). As the Federal Circuit has held, the reviewing Court (in this case, the Panel) may not substitute its judgment for that of the agency, nor may it reweigh the evidence. Nippon Steel Corp. v. International Trade Comm'n, 345 F.3d 1379, 1381 (Fed. Cir. 2003). The task of weighing the evidence is assigned solely to the Commission, and not the parties or a reviewing court or panel. United States Steel Group v. United States, 96 F.3d 1352, 1362 (Fed. Cir. 1996).

⁴ Original Views at 1 & n.3 (Commissioner Lane dissenting with respect to Mexico). The Commission made an affirmative five-year review determination with respect to Japan. Ibid.

⁵ 72 FR 68860, December 6, 2007.

⁶ See Letter from Secretary Marilyn R. Abbott to Jeffrey M. Winton, Esq., *CWLDLP from Japan and Mexico, Inv. Nos. 731-TA-919 and 920 (Review)*, April 24, 2008.

On January 18, 2011, the Panel issued its decision, affirming in part and remanding in part the Commission's determination. In its decision, the Panel affirmed the Commission's reliance on the likely differing conditions of competition between subject imports from Japan and Mexico in declining to exercise its discretion to cumulate subject imports from Japan and Mexico.⁷ It also rejected U.S. Steel's challenge to the Commission's decision to discount reported Mexican capacity in the reviews on grounds that U.S. Steel failed to exhaust its administrative remedies with respect to the "asserted discrepancy between the questionnaire responses and the staff's finding that the Mexican producers reported theoretical capacity."⁸

The Panel remanded the determination, however, so that the Commission could consider the new information in Procarsa's revised foreign producers' questionnaire response.⁹ Finding that Procarsa's revised data might be "potentially outcome determinative,"¹⁰ the Panel took judicial notice of Procarsa's revised questionnaire response and remanded the case "in order to provide the Commission the opportunity to evaluate the potentially determinative new data."¹¹ Specifically, the Panel found "that the new data are indeed potentially outcome determinative" with respect to three of "the Commission's four findings in support of its determination not to cumulate the reviews of Mexico and Japan based on the differences in the conditions of competition between them . . . *** its likely injury analysis" for Mexico,¹² including its findings on the Mexican industry's "[e]xport versus home market orientation," "[p]resence in the U.S. market," and "[c]apacity trends."¹³ As to the Commission's fourth finding, concerning the Mexican industry's "product range," the Panel considered that "this finding . . . would not be affected by Procarsa's revised questionnaire."¹⁴

On February 18, 2011, the Commission published notice of its remand proceeding in the Federal Register.¹⁵ In the notice, the Commission stated that it was "reopening the record in the proceeding for the sole purpose of accepting Procarsa's revised foreign producers' questionnaire response into the record" and explained that it would "not otherwise accept the submission of new factual information for

⁷ Panel Decision at 20.

⁸ Panel Decision at 25.

⁹ In the proceedings before the Panel, the Commission argued regarding consideration of the untimely filed revisions to Procarsa's foreign producers' questionnaire that a Court or binational panel may take judicial notice only of a fact that is "not subject to reasonable dispute," meaning that the fact is "generally known within the territorial jurisdiction of the trial court," or "capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned." Federal Rule of Evidence, Rule 201(b); Coalition for the Preservation of Am. Brake Drum & Rotor Aftermarket Mfrs. V. United States, 22 CIT at 530-31, 15 F. Supp. 2d at 927-28. The Commission argued that Procarsa's specific revisions to its foreign producers' questionnaire response may not be "generally known" because they are confidential, and are likely not capable of accurate and ready determination" in the sense of being "readily verifiable by reliable sources." See Graham, Handbook of Federal Evidence § 201.2 (6th ed. 2006) (on facts "generally known") and British Steel, PLC v. United States, 879 F. Supp. 1254, 1318 n.72 (Ct. Int'l Trade 1995) (on information "capable of accurate and ready determination").

¹⁰ Panel Decision at 31; see also *ibid.* at 34, 36, 45.

¹¹ Panel Decision at 48.

¹² Panel Decision at 31-32.

¹³ Panel Decision at 33, 35, 36.

¹⁴ Panel Decision at 33.

¹⁵ 76 FR 9608.

the record.”¹⁶ It invited parties “to file comments concerning the new factual information submitted on the record during the remand proceeding . . . limited solely to the issue of whether and how the data contained in Procarsa’s revised foreign producer’s questionnaire will affect the Commission’s cumulation and likely injury findings for Mexico, including its findings relating to the Mexican industry’s home market orientation, its capacity trends, and the presence of Mexican imports in the U.S. market.”¹⁷ The Commission further instructed that “parties may not use this opportunity to comment on any other issue, including any ‘asserted discrepancy between the questionnaire responses and the staff’s finding that the Mexican producers reported theoretical capacity,’” and made clear that parties were to limit their comments to 20 double-spaced pages.¹⁸

On February 18, 2011, Procarsa filed a revised foreign producers’ questionnaire response, accompanied by a complete copy of its original filing of April 21, 2008.¹⁹ In its revised questionnaire response, ***²⁰ ***.²¹ Procarsa also estimated that about ***.²² Consequently, Procarsa projected that ***.²³ It also projected that *** and that ***.²⁴

In revising its questionnaire response to reflect the new production line, Procarsa did not change ***.²⁵ Procarsa also reported that it ***.²⁶

On March 8, 2011, U.S. Steel and the Mexican interested parties, including Tubacero, S.A. de C.V., Tuberia Laguna, S.A. de C.V., and Procarsa, each filed comments that were in compliance with the Commission’s scheduling notice.²⁷

¹⁶ 76 FR 9609.

¹⁷ 76 FR 9609.

¹⁸ 76 FR 9609.

¹⁹ Commissioner Pinkert does not join the remainder of this paragraph or the following paragraph. For his discussion of the information in Procarsa’s revised questionnaire response, see his Separate Views.

²⁰ Procarsa’s Revised Questionnaire Response, question II-4. Procarsa indicated, however, that it ***. Ibid. Procarsa indicated that ***. Ibid. Procarsa also reported that its new production line will utilize the submerged arc welding (“SAW”) process, whereas its existing capacity produced CWLDLP using the electric resistance welding (“ERW”) method. See Letter from Procarsa, April 21, 2008, at 4; Procarsa’s revised foreign producer questionnaire response at question II-6; see also Original Views at 3-4 (describing the ERW and SAW methods).

²¹ Procarsa’s revised foreign producer questionnaire response, question II-4. ***. Ibid.

²² Letter from Procarsa, April 21, 2008, at 6; Procarsa’s revised foreign producer questionnaire response, question II-4.

²³ Letter from Procarsa, April 21, 2008, at revised question II-16c.

²⁴ Compare Procarsa’s original foreign producer questionnaire response at question II-16c with Procarsa’s revised foreign producer questionnaire response at question II-16c.

²⁵ Compare Procarsa’s original foreign producer questionnaire response at questions II-15, II-16c with Procarsa’s revised foreign producer questionnaire response at questions II-15, II-16c.

²⁶ Procarsa’s revised foreign producer questionnaire response, question II-4.

²⁷ On March 8, 2011, U.S. Steel filed a second submission in which it sought to comment on “how the Commission should consider the capacity data that has been reported by Mexican producers in these reviews.” See Letter from Acting Secretary James Holbein to Robert E. Lighthizer, Esq., March 16, 2011. The Commission rejected and returned this submission for two reasons. First, in direct conflict with the limited scope for comments set forth in the Commission’s scheduling notice, the submission commented on an issue not remanded to the Commission (i.e., “any ‘asserted discrepancy between the questionnaire responses and the staff’s finding that the Mexican producers reported theoretical capacity’”). Ibid. Second, the submission exceeded the page limitation (continued...)

II. Domestic Like Product, Domestic Industry, Negligibility, Likely Discernible Adverse Impact, Likely Reasonable Overlap of Competition, and Mexican Industry Product Range

We have considered the record as a whole in light of the instructions in the Panel's opinion. The Commission notes, however, that it is not reconsidering those issues either affirmed by the Panel or not subject to appeal, and therefore adopts its findings, analysis, and conclusions with respect to these issues in their entirety, including domestic like product, domestic industry, negligibility, cumulation analysis (including findings regarding likely discernible adverse impact and likely reasonable overlap of competition), legal standards, and conditions of competition. We also adopt our Original Views with respect to our cumulation analysis and findings regarding the Mexican industry's product range, in accordance with the Panel's finding on the issue. Accordingly, consistent with the Panel's instructions, we address below the extent to which Procarsa's revised questionnaire response affects our analysis of likely conditions of competition under which subject imports from Mexico and Japan would likely compete in the U.S. market and the likely volume, price effects, and impact of subject imports from Mexico if the antidumping duty order on CWLDLP from Mexico were revoked.²⁸

III. Cumulation – Likely Conditions of Competition

A. The Panel's Instructions

In its decision, the Panel found that the "new data" contained in Procarsa's revised questionnaire response might be "potentially outcome determinative" with respect to several aspects of the Commission's analysis of likely conditions of competition for cumulation purposes.²⁹ With respect to the Mexican industry's "[e]xport versus home market orientation," the Panel found that Procarsa's statement "that it is in the process of *** . . . together with the fact that prior to the imposition of the antidumping order the United States market was the principal export market for the Mexican industry, indicate to the Panel that this corrected information might have influenced the Commission if it had been available prior to its decision."³⁰

With respect to the Mexican industry's "[p]resence in the U.S. market," the Panel "recognize[d] that the Commission might have considered that Procarsa's *** and *** , along with the geographical proximity between the United States and Mexico could have had a considerable impact on the presence of Mexican imports in the U.S. market within a reasonably foreseeable time, and thus, had the Commission known the corrected data at the time of its determination, it might have changed its decision."³¹

²⁷(...continued)

provided in the scheduling notice because the nine pages of comments contained in the submission, when added to the 14 pages of comments contained in U.S. Steel's responsive submission of March 8, 2011, brought the total number of pages of comments filed by U.S. Steel to 23. Ibid.

²⁸ We generally credit as reliable the information contained in a questionnaire response that has been certified as accurate unless there is substantial contrary evidence. In exercising our role to weigh the evidence here, we find that Procarsa's revised questionnaire, which as the Panel noted is an admission against interest, is reliable notwithstanding the various allegations and theories raised by U.S. Steel that the facts must be otherwise. Thus, we place substantial weight on the information contained in Procarsa's certified questionnaire response, as revised.

²⁹ Panel Decision at 31.

³⁰ Panel Decision at 34.

³¹ Panel Decision at 36.

Finally, the Panel held that Procarsa's new information "bears directly and substantially on . . . the capacity trend factor, considered by the Commission . . . when it decided not to cumulate the reviews of Japan and Mexico."³² According to the Panel,

The Commission was relying on the PMT closure essentially to eliminate *** short tons of Mexican CWLDLP capacity, and assumed that other Mexican producers, including Procarsa, would not increase their capacity . . . it is undeniable that the corrected information supplied by Procarsa has significance on its long term capacity and production which, if known at the time by the Commission would likely have been a considerable factor in reaching its determination.³³

The Panel instructed the Commission "to evaluate the potentially determinative new data" on remand.³⁴

B. Party Arguments

In its comments, U.S. Steel argues the new information in Procarsa's revised questionnaire response should compel the Commission to alter its analysis of likely conditions of competition and cumulate imports from Mexico with imports from Japan.³⁵ In U.S. Steel's view, the Commission should change its conclusion that Mexican and Japanese capacity trends are divergent because Procarsa's added capacity of *** short tons in 2010 will more than make up for the *** short ton reduction in capacity from PMT's closure.³⁶ Relying on what it views as the Mexican industry's significantly increased likely capacity, U.S. Steel contends that the Commission should now find that Mexican producers are likely to aggressively pursue export opportunities, consistent with their expressed interest in the U.S. market.³⁷ With respect to product range, U.S. Steel claims that there is no evidence on the record to suggest that Procarsa's new production line cannot produce CWLDLP in grades X-70 and higher and requests that the Commission seek additional information from Procarsa on the issue.³⁸ Finally, it argues that the Commission should change its finding concerning the low export-orientation of the Mexican industry given Procarsa's stated intention to export *** percent of the CWLDLP produced on its new production line in 2008, as well as the stated intention of Procarsa and other Mexican producers to re-enter the U.S. market after revocation.³⁹ In this regard, U.S. Steel claims that by increasing Mexican production capacity by *** short tons in 2010, or *** percent, Procarsa's new production line will create supply pressure in the Mexican market that will likely force other Mexican producers to become more export oriented.⁴⁰

In their comments, the Mexican interested parties argue that none of the factors considered by the Commission in declining to cumulate subject imports from Mexico and Japan has been affected by the corrected information submitted by Procarsa, as explained in the Commission's response brief filed with

³² Panel Decision at 44.

³³ Panel Decision at 45.

³⁴ Panel Decision at 48.

³⁵ U.S. Steel's Comments at 9.

³⁶ U.S. Steel's Comments at 4-5, 9.

³⁷ U.S. Steel's Comments at 9.

³⁸ U.S. Steel's Comments at 9-10.

³⁹ U.S. Steel's Comments at 4, 10. U.S. Steel urges the Commission to request detailed information on Procarsa's efforts to qualify its CWLDLP with U.S. customers. *Ibid.* at 10.

⁴⁰ U.S. Steel's Comments at 4-5, 10.

the Panel.⁴¹ They also stress that differences in the likely conditions of competition found by the Commission reflect the fact that Japanese producers are “world-wide leaders in the industry” with large integrated mills, whereas Mexican producers have relatively insignificant CWLDLP operations.⁴²

C. Likely Conditions of Competition

We have considered the record as a whole in light of the evidence on the record, the Panel’s instructions, party comments, and Procarsa’s revised questionnaire response. We again determine to decline to exercise our discretion to cumulate subject imports from Japan and Mexico in these reviews because we find that subject producers in Japan and Mexico would not be likely to compete under similar conditions of competition in the U.S. market, for the following reasons.

First, although there is a moderate to high degree of fungibility between CWLDLP products with the same specifications made by Mexican, Japanese, or domestic producers, we observe, as did the Panel, that Mexican producers generally produce and sell a different range of CWLDLP products than U.S. and Japanese producers. Since 2003, the Mexican industry has produced negligible quantities of CWLDLP of grades X-70 or above, while the Japanese and domestic industries have produced substantial quantities of these grades. While Mexican producers shipped *** of CWLDLP in grades X-70 or greater in 2006,⁴³ or less than *** percent of Mexican producer shipments, such grades accounted for *** percent of domestic producer shipments and *** percent of Japanese producer shipments in that year.⁴⁴ The Mexican producers’ apparent lack of interest in supplying significant quantities of CWLDLP in grades X-70 and above makes it unlikely that they would compete aggressively with domestic and Japanese producers in the U.S. market, given the increasing importance of high-grade products in the U.S. market. CWLDLP consisting of grades X-70 and above ordered by U.S. purchasers for delivery in 2007 and 2008 increased from 48.4 percent for 2007 deliveries to 62.3 percent for 2008 deliveries.⁴⁵ In short, while the Japanese and domestic industries have produced the full range of products demanded in the U.S. market, the Mexican industry has not done so, and shows no propensity to do so in the reasonably foreseeable future.⁴⁶

Second, the subject Japanese industry is highly export-oriented, with a relatively low level of home market shipments, whereas the subject Mexican industry is focused on its home market, with a relatively low level of export shipments. In 2006, Japanese producers exported 98.4 percent of their total shipments and made only 1.5 percent of their total shipments within Japan.⁴⁷ Conversely, in 2006,

⁴¹ See Mexican Interested Parties’ Comments at 13-15.

⁴² See Mexican Interested Parties’ Comments at 8-10.

⁴³ Confidential Staff Report (“CR”)/Public Staff Report (“PR”) at Table IV-26.

⁴⁴ CR/PR at Tables IV-7, 18. These figures are for all commercial shipments to all markets.

⁴⁵ CR/PR at Table II-2. As noted above, however, subject imports from Mexico in grades below X-70 are generally fungible with subject imports from Japan and domestic shipments for the same specifications.

⁴⁶ The Panel has held that our findings as to product range are not affected by Procarsa’s revised questionnaire response, but we reiterate them here because they support our decision not to exercise our discretion to cumulate subject imports from Mexico and Japan. As the Panel held, “Because the revised questionnaire did not specify whether *** or whether Procarsa is ***, . . . this finding of product range by the ITC would not be affected by Procarsa’s revised questionnaire.” Panel Decision at 33. We therefore decline U.S. Steel’s request that we collect additional information on Procarsa’s ability to produce CWLDLP in grades X-70 or higher. See U.S. Steel’s Comments at 10.

⁴⁷ CR/PR at Table IV-15.

Mexican producers made *** percent of their total shipments within Mexico and exported only *** percent of their total shipments.⁴⁸

We find this significant difference in export orientation likely to continue in the reasonably foreseeable future. Japanese producers projected that they would export 98.7 percent of their total shipments in 2007 and 98.8 percent of their total shipments in 2008, while shipments to home market customers were projected to account for only *** percent of total shipments in 2007 and *** percent of total shipments in 2008.⁴⁹ By contrast, Mexican producers projected that home market shipments would account for *** percent of total shipments in 2007 and *** percent of total shipments in 2008, while exports are projected to account for only *** percent of total shipments in 2007 and *** percent of total shipments in 2008.⁵⁰ Furthermore, Mexican producers are likely to remain focused on their home market in the foreseeable future given that they enjoy preferential treatment from PEMEX, the state-owned energy company that controls most Mexican purchases of CWLDLP, and relatively higher prices in Mexico, due to barriers to imported CWLDLP.⁵¹ In addition, demand for CWLDLP in Mexico's home market steadily increased through the period examined and demand forecasts provided by the Government of Mexico did not foresee any slackening in Mexican CWLDLP demand.⁵² Finally, Mexican producer PMT, which was the most aggressive exporter of CWLDLP to the United States during the original period examined⁵³ and accounted for a substantial portion of subject imports from Mexico during the period,⁵⁴ was liquidated in 2002.⁵⁵ Thus, even though Japanese and Mexican producers have expressed interest in the U.S. market, Mexican producers are less likely to pursue export opportunities aggressively given that they are much less export-oriented than Japanese producers.

Procarsa's statement that CWLDLP produced on its new production line is being qualified for sale to U.S. customers does not undermine our conclusion that Mexican producers are likely to remain focused on their home market while Japanese producers remain highly export-oriented in the reasonably foreseeable future.⁵⁶ The revised questionnaire response that we are directed to consider in this remand

⁴⁸ CR/PR at Table IV-24.

⁴⁹ CR/PR at Table IV-20.

⁵⁰ Memorandum INV-JJ-017 (February 28, 2011) at Remand Table 7.

⁵¹ Compare CR/PR at Table IV-24 with CR/PR at Table C-1. We recognize that AUV comparisons are of limited probative value for a product like CWLDLP due to potential differences in product mix. Hearing transcript, p. 157 (Delie) (testifying that CWLDLP prices are "artificially higher" in Mexico because the Mexican market is "closed" to foreign competition by the Mexican government).

⁵² See Government of Mexico's posthearing brief.

⁵³ See Hearing transcript, pp. 223-24 (Benitez) (PMT pursued an aggressive pricing strategy in both the U.S. and Mexican markets, reportedly undercutting domestic producers to win a major Enron pipeline project in Florida); see also Original Views at 18 n.108 (noting the major project awarded to a Mexican producer on the basis of a low bid).

⁵⁴ During the period examined in the original investigations, PMT accounted for *** short tons of reported Mexican CWLDLP exports to the United States; the four other Mexican producers accounted for *** short tons. See Original Staff Report at Table C-1; Original Investigation foreign producers' questionnaire response of PMT at 8. PMT's share of Mexican CWLDLP exports to the United States was *** percent in 1998, *** percent in 1999, *** percent in 2000, *** percent in the first half of 2000, and *** percent in the first half of 2001. Ibid.

PMT's share of Mexican CWLDLP production was *** percent in 1998, *** percent in 1999 and 2000, *** percent in the first half of 2000, and *** percent in the first half of 2001. See Original Staff Report at Table VII-7; Original Investigation foreign producers' questionnaire response of PMT at 8.

⁵⁵ CR at IV-39; PR at IV-25-26.

⁵⁶ See Letter from Procarsa, April 21, 2008, at 7.

indicates that Procarsa *** and that CWLDLP produced on its new production line was ***.⁵⁷ Procarsa also projected that *** percent of the total shipments of CWLDLP produced on the new production line in 2008, or *** short tons, would be shipped to home market customers, with the balance, *** short tons, exported to third country export markets.⁵⁸ Additionally, in its revised questionnaire response, Procarsa did not change its original projected exports to the United States of *** short tons in 2007 and *** short tons in 2008,⁵⁹ nor did it change its projection that ***.⁶⁰ Given Procarsa's projection that it will export *** short tons of CWLDLP to the United States in 2008, and that *** in the event of revocation,⁶¹ we find it unlikely that Procarsa would be able to increase its exports to *** short tons within a reasonably foreseeable time after revocation.⁶²

⁵⁷ Procarsa's revised foreign producer questionnaire response, question II-4; Letter from Procarsa, April 21, 2008, at 7. We decline U.S. Steel's suggestion that we collect "detailed information" on Procarsa's efforts to qualify CWLDLP produced on its new production line with U.S. customers. See U.S. Steel's Comments at 10. Such information could not alter our analysis in light of Procarsa's indication that CWLDLP produced on its new production line ***, and its projection that its exports of CWLDLP to the United States could reach *** short tons within the first few years after revocation of the order. See Letter from Procarsa, April 21, 2008, at 7; Memorandum INV-JJ-017 (February 28, 2011) at 31.

⁵⁸ See Procarsa's revised foreign producer questionnaire response, question II-16c, p. 16 (projections for SAW CWLDLP); Letter from Procarsa, April 21, 2008, at 4 (reporting that Procarsa's new production line uses the SAW process). Procarsa also projected that *** short tons of CWLDLP produced on the new line in 2008 would remain in inventory at the end of the period. See Ibid.

⁵⁹ Compare Procarsa's original foreign producer questionnaire response at question II-16c with Procarsa's revised foreign producer questionnaire response at question II-16c.

⁶⁰ Compare Procarsa's revised foreign producer questionnaire response at question II-15 with CR/PR at D-22.

⁶¹ Procarsa's revised foreign producer questionnaire response, questions II-15, II-16c.

⁶² In this remand proceeding, we focus on projected Mexican industry data for 2007 and 2008, consistent with our practice of collecting and analyzing projected data for the two full years following the last full year of the period examined, when such data is collected and analyzed. To assess projected Mexican industry trends, we need projected data from all Mexican producers, and such data has only been collected for 2007 and 2008. See Memorandum INV-JJ-017 (February 28, 2011) at Remand Table 7.

U.S. Steel urges the Commission to focus on what they view as Procarsa's and the Mexican industry's likely capacity in 2009 and 2010, notwithstanding the absence of information on the Mexican industry's projected capacity in those years, based in part on their assertion that the Commission has relied on capacity projections three or four years into the future in past five-year reviews. U.S. Steel's Comments at 7-8 (citing *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 954, 957-959, 961, and 962 (Review)*, USITC Publication 4014, June 2008, at 30; *Hot-Rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine, Inv. Nos. 701-TA-404-408 and 731-TA-898-902 and 904-908 (Review)*, USITC Publication 3956, October 2007, at 32. Contrary to U.S. Steel's argument, however, the Commission expressly stated in its determinations for the Hot-Rolled Steel Products reviews that "[i]n view of the nature of this industry and market, for purposes of these reviews, and based on the facts on this record, we have given significantly greater weight to developments likely to occur in the next two years than to those pertaining to later dates, although we cite other information as appropriate." USITC Publication 3956 at 25 n.128. Similarly, in Carbon and Certain Alloy Steel Wire Rod, the Commission focused on actual unused capacity and other trade data reported by subject foreign producers, not projected additions to capacity three or four years beyond the period examined in the reviews. See Carbon and Certain Alloy Steel Wire Rod, USITC Publication 4014 at 29-30 & n.203. Our focus on projected Mexican industry data for 2007 and 2008 here is consistent with our focus on projected data two years beyond the period examined in past five-year reviews in which such data has been collected. See, e.g., Stainless Steel Bar from France, Germany, Italy, Korea, and the United Kingdom, Inv. Nos. 701-TA-413 and 731-TA-913-916 & 918

(continued...)

Based on all the evidence in the record, we find that the Mexican industry is likely to remain focused on its home market when compared to the Japanese industry.⁶³ When asked how revocation of the order would affect their exports to the United States, *** reported that its exports to the United States would “recover its normal sales export level that it had before the imposition of the orders,” which ranged between *** to *** short tons during the period examined in the original investigation,⁶⁴ and *** projected that its exports to the United States would increase to *** short tons per year.⁶⁵ *** responded that its “only interest would be in supplying pipe to the USA, if a client requires pipe with certain urgency that local suppliers cannot supply on time.”⁶⁶ Even considering that Procarsa could increase its exports to *** short tons in 2009 and assuming that the Mexican industry’s home market shipments in 2009 will be the same as the Mexican industry’s projected home market shipments in 2008, at *** short tons, Mexican producers would export at most *** percent of their total shipments in 2009,⁶⁷ which is in stark contrast to the Japanese’s industry’s projected exportation of 98.8 percent of total shipments in 2008.⁶⁸ Thus, even under the most conservative assumptions, the Mexican industry is likely to remain focused on serving its home market beyond 2008, while the Japanese industry is likely to remain overwhelmingly focused on exports.

Third, the record continues to show that the subject Japanese and Mexican industries exhibited divergent capacity trends over the period examined in the reviews. Japanese producers made no physical changes to their CWLDLP production capacity over the period.⁶⁹ By contrast, in 2002, Mexico’s *** producer and exporter to the United States over the original investigation period, PMT, ceased production and shipped its equipment to Saudi Arabia, eliminating *** short tons of Mexican CWLDLP capacity.⁷⁰ The other Mexican producers did not expand capacity during the period examined in the review and no Mexican producer, other than Procarsa, projected additions to capacity in 2007 or 2008.⁷¹ As for Procarsa, the revised questionnaire response indicates that a new production line will likely commence

⁶²(...continued)

(Review), USITC Publication 3981, January 2008, at 21, 40 n.14, and 45. In the course of evaluating all record evidence in this review, we have taken into account projections for 2009, while at the same time recognizing that that data series is less than complete.

⁶³ Commissioners Aranoff and Pearson observe that the record contains no 2009 data for most Mexican producers and only limited 2009 data for Procarsa. They therefore find that trends in 2009 are not reasonably foreseeable and place very little weight on Procarsa’s projected 2009 data.

⁶⁴ Preliminary phase foreign producers’ questionnaire response of Tuberia Laguna at 6. We note that Tuberia Laguna did not complete a questionnaire response in the final phase of the original investigation.

⁶⁵ Memorandum INV-JJ-017 (February 28, 2011) at 31.

⁶⁶ CR/PR at D-21.

⁶⁷ This estimate is based on the Mexican producers’ maximum projected exports to the United States in the event of revocation, including Procarsa’s projection of *** short tons in a few years, Tubacero’s projection of *** short tons in 2008, and Tuberia Laguna’s projection of *** short tons in 2008. See Memorandum INV-JJ-017 (February 28, 2011) at 31; Preliminary phase foreign producers’ questionnaire response of Tuberia Laguna at 6. We note that Mexican producers were asked to provide projections of their home market and export shipments in 2007 and 2008, but not in 2009.

⁶⁸ CR/PR at Table IV-20.

⁶⁹ See CR at IV-26-27; PR at IV-17.

⁷⁰ Memorandum INV-JJ-017 (February 28, 2011) at 3-4.

⁷¹ Memorandum INV-JJ-017 (February 28, 2011) at 9-10, Remand Tables 3, 7.

production in ***, resulting in a projected increase in CWLDLP capacity of *** short tons in 2008,⁷² given that ***.⁷³ Thus, the Mexican industry's capacity was *** short tons lower during the period examined in the review than in the original investigation and is likely to remain at least *** short tons lower within the reasonably foreseeable future. Because the Mexican industry's capacity has declined significantly since the original investigations, unlike the Japanese industry's capacity, we find that the Mexican and Japanese industries exhibited divergent capacity trends. We also find that the exit of the most aggressive Mexican exporter from the industry, along with the decline in the Mexican industry's capacity, make the Mexican producers less likely than Japanese producers to pursue aggressively export opportunities in the U.S. market.

Furthermore, our analysis does not change if we look beyond the reasonably foreseeable period to the limited information available on Procarsa's projected capacity for 2009.⁷⁴ Procarsa projects that its new production line will have the capacity to produce ***.⁷⁵ Even assuming that Procarsa ***, Mexican industry capacity would remain a significant *** short tons lower than during the original investigation period, before PMT's liquidation, in contrast to Japanese industry capacity trends projected through 2008. Given that Procarsa itself reported that its new capacity was intended to serve demand in the Mexican market, we find that it is unlikely to cause a significant shift in the Mexican industry's continued focus on the Mexican market even beyond 2007 and 2008.⁷⁶

Finally, the record continues to show that Japanese producers maintained a presence in the U.S. market throughout the period examined in the reviews, while subject imports from Mexico declined to *** over the period.⁷⁷ Notwithstanding the proximity of the U.S. market, subject imports from Mexico declined from 13,265 short tons in 2001 to 8,302 short tons in 2003, 159 short tons in 2004, 35 short tons in 2005, 125 short tons in 2006, and zero short tons in the first half of 2007, indicating that Mexican producers had no significant presence in the U.S. market after 2003.⁷⁸ Procarsa reports in its revised questionnaire response, as it did in its original questionnaire response, that ***.⁷⁹ Having been largely absent from the U.S. market since 2003, we find that the Mexican producers would need to seek out and re-establish relationships with U.S. importers and purchasers in order to increase their exports to the

⁷² Procarsa's revised foreign producer questionnaire response, question II-4.

⁷³ Procarsa's revised foreign producer questionnaire response, question II-4.

⁷⁴ We note that Procarsa ***. See Procarsa's revised foreign producer questionnaire response at question II-4; Memorandum INV-JJ-017 (February 29, 2011) at 18 n.26. Given that no Mexican producer reported projected capacity for 2010, we cannot accurately predict Mexican industry capacity in 2010. We therefore reject U.S. Steel's assertion that Procarsa's new production line would increase the Mexican industry's capacity by *** short tons in 2010. See U.S. Steel Comments at 4-5.

⁷⁵ Procarsa's revised foreign producer questionnaire response, question II-4.

⁷⁶ Procarsa's revised foreign producer questionnaire response, question II-4.

⁷⁷ See CR/PR at Table C-1. Subject import volume from Japan declined from 29,795 short tons in 2001 to 3,376 short tons in 2003, increased to 25,232 short tons in 2005, then declined to 13,198 short tons in 2006, and was 7,356 short tons in the first half of 2007 compared with 10,483 short tons in the first half of 2006. *Ibid.* Subject import volume from Mexico declined from 13,265 short tons in 2001 to 6,245 short tons in 2002, increased to 8,302 short tons in 2003, declined to 35 short tons in 2005, increased to 125 short tons in 2006, and then was zero in the first half of 2007 compared with 101 short tons in the first half of 2006. *Ibid.*

⁷⁸ CR/PR at Table IV-1.

⁷⁹ Compare Procarsa's original foreign producer questionnaire response at question II-16a with Procarsa's revised foreign producer questionnaire response at question II-16a.

United States after revocation, and this process would likely hinder their ability to increase exports to the United States rapidly.⁸⁰

By contrast, Japanese producers, though distant from the United States, maintained a significant presence in the U.S. market throughout the period examined in the reviews. Although subject imports from Japan declined from 29,795 short tons in 2001 to 3,376 short tons in 2003, they increased to 25,232 short tons in 2005, were 13,198 short tons in 2006, and were 7,356 short tons in the first half of 2007.⁸¹ Given their continuous presence in the U.S. market, we find that Japanese producers could leverage their on-going relationships with U.S. importers and purchasers to increase their exports to the U.S. market rapidly in the event of revocation. Indeed, all three subject Japanese producers possess affiliated importers in the United States through which they sell CWLDLP, enhancing their ability to serve the U.S. market.⁸² That Japanese producers continued to supply customers in the U.S. market through the end of the period examined in the reviews, and ship their products through related U.S. importers, indicates that Japanese producers would likely be better positioned than Mexican producers to rapidly increase sales in the U.S. market if the orders were revoked.⁸³

Accordingly, we find that Japanese and Mexican producers are likely to compete in the U.S. market under different conditions of competition upon revocation, and we therefore decline to exercise our discretion to cumulate subject imports from Japan and Mexico in these reviews.

III. REVOCATION OF THE ORDER ON CWLDLP FROM MEXICO WOULD NOT LIKELY LEAD TO THE CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

A. The Panel's Instructions

In its decision, the Panel also found that the “new data” contained in Procarsa’s revised questionnaire response might be “potentially outcome determinative” for the Commission’s analysis of the likely continuation or recurrence of material injury within a reasonably foreseeable time in the following ways.⁸⁴ With respect to the Mexican industry’s “[e]xport versus home market orientation,” the Panel found that Procarsa’s statement “that it is in the process of *** . . . together with the fact that prior to the imposition of the antidumping order the United States market was the principal export market for

⁸⁰ We recognize that the Mexican industry projects exports to the United States of *** short tons in 2007 and *** short tons in 2008, assuming the order remains in effect. Memorandum INV-JJ-017 (February 28, 2011) at Remand Table 7. The Mexican industry’s projected exports to the United States in 2007 and 2008 do not detract from our finding that Mexican producers are not as well positioned as Japanese producers to increase rapidly their exports to the U.S. market in the event of revocation, however, given the Mexican industry’s near absence from the U.S. market since 2003 and the Japanese industry’s continuous, significant presence in the market. Indeed, Japanese producers expect to maintain a *** more significant presence in the U.S. market than Mexican producers in 2007 and 2008, with projected exports to the United States of 13,883 short tons in both years. CR/PR at Table IV-20.

⁸¹ CR/PR at Table IV-1.

⁸² CR at I-42; PR at I-30.

⁸³ CR at I-42; PR at I-30; Hearing transcript, p. 315 (Miki) (JFE uses an affiliated trading company as “supply chain manager” in United States, but the mill decides where to sell CWLDLP), 317 (Paul) (Japanese mills better positioned to offer requisite quality CWLDLP, as no Mexican mills qualified at present time), 317 (Fisher) (Japanese mills better positioned to supply needed CWLDLP over 24" in outside diameter, as only one Mexican mill can produce such pipe).

⁸⁴ Panel Decision at 31.

the Mexican industry, indicate to the Panel that this corrected information might have influenced the Commission if it had been available prior to its decision.”⁸⁵

With respect to the Mexican industry’s “[p]resence in the U.S. market,” the Panel “recognize[d] that the Commission might have considered that Procarsa’s *** and ***, along with the geographical proximity between the United States and Mexico could have had a considerable impact on the presence of Mexican imports in the U.S. market within a reasonably foreseeable time, and thus, had the Commission known the corrected data at the time of its determination, it might have changed its decision.”⁸⁶

Finally, the Panel held that Procarsa’s new information “bears directly and substantially on . . . the capacity trend factor, considered by the Commission . . . in its likely injury analysis.”⁸⁷ According to the Panel,

The Commission was relying on the PMT closure essentially to eliminate 75,000 short tons of Mexican CWLDLP capacity, and assumed that other Mexican producers, including Procarsa, would not increase their capacity . . . it is undeniable that the corrected information supplied by Procarsa has significance on its long term capacity and production which, if known at the time by the Commission would likely have been a considerable factor in reaching its determination.⁸⁸

“Given the fact that changes in capacity in the reasonably foreseeable future is a fundamental factor for a determination of future harm and that it was precisely this factor that was corrected by Procarsa’s revised questionnaire,” the Panel found, “the Commission should evaluate the significance of these corrected data.”⁸⁹ In conclusion, the Panel instructed the Commission “to evaluate the potentially determinative new data” on remand.

B. Party Arguments

In its comments, U.S. Steel argues that the new information contained in Procarsa’s revised questionnaire response should compel the Commission to determine that revocation of the order would likely result in significant volume and price effects, likely resulting in a significant adverse impact on the domestic industry.⁹⁰ In U.S. Steel’s view, the Commission should change its conclusion that there would not likely be a significant volume of subject imports from Mexico if the order were revoked because Procarsa’s added capacity of *** short tons in 2010 will more than make up for the *** short ton reduction in capacity from PMT’s closure, and increase the Mexican industry’s capacity by *** percent.⁹¹ Given the Mexican industry’s significantly increased capacity, U.S. Steel contends that the Commission should now find that Mexican producers are likely to be able to increase their production significantly to compete effectively in the U.S. market.⁹² U.S. Steel also claims that the Commission has no basis to

⁸⁵ Panel Decision at 34.

⁸⁶ Panel Decision at 36.

⁸⁷ Panel Decision at 44.

⁸⁸ Panel Decision at 45.

⁸⁹ Panel Decision at 41, 43-44.

⁹⁰ U.S. Steel’s Comments at 13.

⁹¹ U.S. Steel’s Comments at 4-5, 11.

⁹² U.S. Steel’s Comments at 11-12.

believe that Procarsa's new production line can't produce CWLDLP in grades X-70 and higher.⁹³ It argues that the Commission should change its finding that Mexican producers lack incentives to increase exports to the United States because Procarsa's new capacity would substantially increase the incentives for doing so, in part by creating supply pressure in the Mexican market that will likely force other Mexican producers to become more export oriented.⁹⁴ Finally, U.S. Steel argues that the Commission should find that Procarsa has a strong incentive to pursue aggressive pricing in the U.S. market given its new capacity and current effort to qualify the capacity with U.S. customers.⁹⁵

In their comments, the Mexican interested parties argue that Procarsa's new information should have no material impact on the Commission's negative determination because none of the factors considered by the Commission in reaching its negative determination were affected by Procarsa's corrected information.⁹⁶ In particular, they stress that Procarsa itself stressed in its revised questionnaire response that its new production line did not alter its future plans with respect to the U.S. market in the event of revocation.⁹⁷

C. Likely Subject Import Volume

We have considered the record as a whole in light of the Panel's instructions, party comments, and Procarsa's revised questionnaire response. We again determine that the likely volume of subject imports from Mexico would not be significant, either in absolute terms or relative to production or consumption in the United States, were the antidumping duty order on CWLDLP from Mexico to be revoked.

A summary of the findings the Commission made concerning subject import volume in the original investigations, in which volume was analyzed on a cumulative basis, is provided in section VI.A of our Original Views, and we adopt that summary in its entirety. Subject import volume from Mexico accounted for a small percentage of cumulated subject import volume during the original period of investigation. The maximum quantity of subject imports from Mexico during the original period of investigation was 31,570 short tons in 1999, and the maximum share of apparent U.S. consumption was *** percent in 2000.⁹⁸ As explained further below, a substantial portion of the subject imports from Mexico during the original investigations were produced by PMT, whose production operations were shuttered in 2002.

In these reviews, we find that the likely subject import volume from Mexico would not be significant, either in absolute terms or relative to production or consumption in the United States, should the antidumping duty order on CWLDLP from Mexico be revoked. Subject Mexican producers did not maintain a significant presence in the U.S. market over the period examined in the reviews and have had *** market share since 2004. Subject import volume from Mexico fell sharply after the original investigations. Subject imports from Mexico declined from 13,265 short tons in 2001, or *** percent of apparent U.S. consumption, to 6,245 short tons in 2002, or *** percent of apparent U.S. consumption, increased to 8,302 short tons in 2003, or *** percent of apparent U.S. consumption, and then dropped to

⁹³ U.S. Steel's Comments at 12.

⁹⁴ U.S. Steel's Comments at 4-5, 12.

⁹⁵ U.S. Steel's Comments at 13.

⁹⁶ See Mexican Interested Parties' Comments at 15-19.

⁹⁷ Mexican Interested Parties' Comments at 19.

⁹⁸ CR/PR, Table I-1.

negligible levels, under 200 short tons, throughout the rest of the period examined.⁹⁹ Subject imports from Mexico held their highest market share in 2003, when U.S. CWLDLP demand collapsed, and were zero in the first half of 2007, despite the strong recovery in CWLDLP demand that had occurred by that time.¹⁰⁰ Having been largely absent from the U.S. market since 2003, Mexican producers would need to seek out and re-establish relationships with U.S. importers and purchasers in order to increase their exports to the United States after revocation, and this process would likely hinder their ability to rapidly increase exports to the United States.¹⁰¹

The record indicated that subject Mexican producers are not export-oriented, and became less so over the period examined in the reviews. Mexican producers' ratio of exports to shipments declined from *** percent in 2001 to *** percent in 2002, increased to *** percent in 2003, declined to *** percent in both 2004 and 2005, and increased slightly to *** percent in 2006.¹⁰² The Mexican CWLDLP industry's ratio of exports to shipments remained below the 2001 level when the interim periods are compared; this ratio was *** percent in the first half of 2007, compared to *** percent in the first half of 2006.¹⁰³ Despite strong global CWLDLP demand growth during the period examined in the reviews, subject Mexican producers did not increase their export orientation, but have remained focused on serving their home market.¹⁰⁴ Mexican producers project that their exports as a share of total shipments will remain low in 2007 and 2008, at *** percent and *** percent, respectively.¹⁰⁵

We acknowledge that the current producers of subject merchandise in Mexico have stated that they intend to resume shipments to the United States upon revocation of the orders.¹⁰⁶ Nevertheless, the closure and liquidation of PMT in 2002 substantially reduces the likelihood that subject imports from Mexico would increase significantly after revocation of the order.¹⁰⁷ PMT was the *** exporter of CWLDLP to the United States during the period examined in the original investigations, and accounted for a large share of Mexican CWLDLP production.¹⁰⁸ It also was reportedly the most price aggressive

⁹⁹ CR/PR at Tables I-10-11.

¹⁰⁰ CR/PR at Tables I-10-11. Procarsa reported that ***. See Procarsa's revised foreign producer questionnaire response at question II-16a.

¹⁰¹ We recognize that the Mexican industry projects exports to the United States of *** short tons in 2007 and *** short tons in 2008, assuming the order remains in effect. Memorandum INV-JJ-017 (February 28, 2011) at Remand Table 7. The Mexican industry's projected exports to the United States in 2007 and 2008 do not detract from our finding that Mexican producers are not well positioned to increase rapidly their exports to the U.S. market in the event of revocation, however, given the Mexican industry's near absence from the U.S. market since 2003.

¹⁰² CR/PR at Table IV-24.

¹⁰³ CR/PR at Table IV-24.

¹⁰⁴ See Hearing transcript, p. 269 (Gutierrez) (exports largely directed at the South and Central American markets).

¹⁰⁵ Memorandum Inv-JJ-017 (February 28, 2011) at Remand Table 7.

¹⁰⁶ Memorandum Inv-JJ-017 (February 28, 2011) at 31; CR/PR at D-21.

¹⁰⁷ CR at IV-39; PR at IV-25-26. PMT's equipment was shipped to Saudi Arabia, where it was reassembled. Ibid.

¹⁰⁸ During the period examined in the original investigations, PMT accounted for *** short tons of reported Mexican CWLDLP exports to the United States; the four other Mexican producers accounted for *** short tons. See Original Staff Report at Table C-1; Original investigation foreign producer questionnaire response of PMT at 8. PMT's share of Mexican CWLDLP exports to the United States was *** percent in 1998, *** percent in 1999, *** percent in 2000, *** percent in the first half of 2000, and *** percent in the first half of 2001. Ibid.

(continued...)

Mexican producer in the U.S. market.¹⁰⁹ Moreover, the level of projected exports to the United States is likely to remain small, given that the Mexican producers project that their exports to the United States within the reasonably foreseeable period will likely return to the modest levels that prevailed before imposition of the order.

PMT's elimination would have reduced Mexican CWLDLP capacity during the period examined in the reviews by a significant *** short tons, or *** percent.¹¹⁰ Other Mexican producers did not expand capacity during the period examined in the review and Mexican producers other than Procarsa project no capacity additions in 2007 or 2008.¹¹¹ Although Procarsa's new production line will eventually have a maximum theoretical capacity of *** short tons, Procarsa projects an increase in its CWLDLP capacity of *** short tons in 2008, given ***.¹¹² Thus, Mexican capacity in 2008 will likely remain *** short tons lower than during the original investigation period, before PMT's liquidation. Accordingly, we find that the Mexican industry's capacity will likely remain significantly lower than it was in the original investigations in the reasonably foreseeable future.

We again choose not to give authoritative weight to the capacity data reported by the Mexican CWLDLP industry. The current producers of subject merchandise in Mexico produced more CWLDLP in 2006 than in any other year since at least 1998.¹¹³ Notwithstanding this, reported 2006 capacity utilization was only *** percent.¹¹⁴ Based on the historical data in the record, we again confirm that we find it is unlikely the Mexican industry could ever achieve full utilization of the nameplate capacity it has reported. The fact that Mexican CWLDLP production *** in 2006, coupled with the industry's significantly diminished capacity since the original period of investigation, indicates that it is unlikely Mexican producers would be able to increase their CWLDLP production significantly from current levels, so as to be able to compete effectively in the project market in the United States.¹¹⁵

¹⁰⁸(...continued)

PMT's share of Mexican CWLDLP production was *** percent in 1998, *** percent in 1999 and 2000, *** percent in the first half of 2000, and *** percent in the first half of 2001. See Original Staff Report at Table VII-7; Original investigation foreign producer questionnaire response of PMT at 8.

¹⁰⁹ See Hearing transcript, pp. 223-24 (Benitez) (PMT pursued an aggressive pricing strategy in both the U.S. and Mexican markets, reportedly undercutting domestic producers to win a major Enron pipeline project in Florida); see also Original Views at 18 n.108 (noting the major project awarded to a Mexican producer on the basis of a low bid).

¹¹⁰ CR at IV-40; PR at IV-26. Mexican CWLDLP capacity was *** short tons in 2000. Original Investigation Staff Report at Table VII-7. Although subject Mexican producers reported a cumulative capacity of *** short tons in these reviews, their capacity only appears higher in the reviews than it was during the original investigations because the producers utilized a different methodology to calculate capacity in the reviews. CR/PR at Table IV-24; CR at IV-40, PR at IV-26.

¹¹¹ Memorandum INV-JJ-017 (February 28, 2011) at 9-10, Remand Tables 3, 7.

¹¹² Memorandum INV-JJ-017 (February 29, 2011) at 18 n.29; Procarsa's revised questionnaire response, question II-4; Letter from Procarsa, April 21, 2008, at 6.

¹¹³ Mexican CWLDLP production, excluding PMT, was *** short tons in 1998, *** short tons in 1999, *** short tons in 2000, *** short tons in 2001, *** short tons in 2002, *** short tons in 2003, *** short tons in 2004, *** short tons in 2005, and *** short tons in 2006. See Original Staff Report at Table VII-6; Original investigation foreign producer questionnaire response of PMT at 8; CR/PR at Table IV-24.

¹¹⁴ CR/PR at Table IV-24.

¹¹⁵ Three of four Mexican CWLDLP producers reported that they lack the ability to product shift, while one reported the ability to shift between the production of CWLDLP and pipe made to AWWA and ASTM specification, though not on the basis of price changes. CR at IV-53.

Our analysis does not change if we look beyond the reasonably foreseeable period to the limited information available on Procarsa's projected capacity for 2009.¹¹⁶ Procarsa projects that its new production line will have the capacity to produce ***.¹¹⁷ Even assuming that Procarsa ***, Mexican industry capacity would remain a significant *** short tons lower in 2009 than during the original investigation period, before PMT's liquidation. Moreover, Procarsa has reported that this new line was intended to serve demand in the Mexican market, rather than export markets including the United States.¹¹⁸

We also find that Mexican CWLDLP producers lack incentives for increasing their exports to the United States by reducing their current focus on serving their home market. During the period examined in the reviews, the AUVs of Mexican CWLDLP shipments in their home market were significantly higher than the AUVs of domestic producer shipments in the U.S. market.¹¹⁹ One domestic producer witness at the hearing testified that CWLDLP prices are "artificially higher" in Mexico because the Mexican market is "closed" to foreign competition by the Mexican government, which controls most CWLDLP purchases through PEMEX, the state-owned energy company.¹²⁰ In light of this, Mexican CWLDLP producers that enjoy preferential treatment and much higher prices in their home market would have little incentive to seek out business in the U.S. market to replace business in Mexico.

Moreover, we find that Mexican CWLDLP producers would likely remain focused on serving their home market after revocation of the order because CWLDLP demand in Mexico is projected to remain high relative to recent levels. The Mexican CWLDLP industry's order backlog increased significantly towards the end of the period examined in the reviews, from a period low of *** short tons in 2003 to *** short tons in 2006, and was *** short tons in the first half of 2007, compared to *** short tons in the first half of 2006.¹²¹ According to Mexican CWLDLP producers, strong Mexican CWLDLP demand will continue throughout 2007 and into 2008, with projected home market shipments of *** short tons in 2007 and *** short tons in 2008.¹²² Demand forecasts provided by the Government of Mexico did

¹¹⁶ We again note that Procarsa ***. See Procarsa's revised foreign producer questionnaire response at question II-4. Given that no Mexican producer reported projected capacity for 2010, we cannot accurately project Mexican industry capacity in 2010. We therefore do not agree with U.S. Steel's assertion that Procarsa's new production line would increase Mexican industry capacity by *** short tons in 2010. See U.S. Steel's Comments at 4-5.

¹¹⁷ Procarsa's revised foreign producer questionnaire response, question II-4.

¹¹⁸ Procarsa's revised foreign producer questionnaire response, question II-4.

¹¹⁹ Compare CR/PR at Table IV-24 with *ibid.* at Table C-1. We recognize that AUV comparisons are of limited probative value for a product like CWLDLP due to potential differences in product mix. Nevertheless, the magnitude of the margin by which the AUV of Mexican industry home market shipments exceeded the AUV of domestic industry U.S. shipments in every year of the period examined is too great to be explained by product mix differences alone. See *ibid.* (the AUV of Mexican industry home market shipments exceeded the AUV of domestic industry U.S. shipments by *** percent in 2001, *** percent in 2002, *** percent in 2003, *** percent in 2004, *** percent in 2005, *** percent in 2006, and *** percent in the first half of 2007); compare also *ibid.* at Table G-5 with *ibid.* at Table C-2 (the AUV of Mexican industry home market shipments of ERW CWLDLP exceeded the AUV of domestic industry U.S. shipments of ERW CWLDLP by *** to *** percent during the period examined), and *ibid.* at Table G-6 with *ibid.* at Table C-3 (the AUV of Mexican industry home market shipments of SAW CWLDLP exceeded the AUV of domestic industry U.S. shipments of SAW CWLDLP by *** to *** percent during the period examined).

¹²⁰ Hearing transcript, p. 157 (Delie).

¹²¹ CR/PR at Table IV-27. These data are understated because only two of four Mexican CWLDLP producers reported their order backlogs. CR at IV-49-50; PR at IV-28.

¹²² CR/PR at Table IV-28.

not foresee any slackening in Mexican CWLDLP demand in 2009.¹²³ Notwithstanding the domestic interested parties' assertion that PEMEX faces substantial financial challenges,¹²⁴ these trends in Mexican producer home market shipments indicate that PEMEX and other purchasers in the Mexican market significantly increased their consumption of CWLDLP towards the end of the period examined in the reviews.

Procarsa's indication that CWLDLP produced on its new production line is being qualified for sale to U.S. customers does not detract from our conclusion that Mexican producers are likely to remain focused on their home market, for the reasons addressed in Section II.B above. In particular, Procarsa reports that it intended its new production line to serve the Mexican market at the time of its decision to install the line, it projects that *** percent of its total shipments of CWLDLP produced on the new line in 2008 will be shipped to home market customers, with the balance exported to third country markets, and it anticipates that CWLDLP produced on the new line is ***.¹²⁵ Moreover, Procarsa projects that it will export *** short tons of CWLDLP to the United States in 2008, and that *** in the event of revocation.¹²⁶ For all these reasons, we find it unlikely that Procarsa would be able to increase its exports to *** short tons within a reasonably foreseeable time after revocation. Even if Procarsa were able to increase its exports to the United States to *** short tons in 2009, the Mexican industry would remain focused on its home market, with home market shipments accounting for at least *** percent of total shipments, and its exports to the United States would remain insignificant.¹²⁷

The Mexican CWLDLP producers' limited product range would likely be another impediment to significant increases in exports to the U.S. market. Mexican CWLDLP producers reported few ERW shipments over the period examined in the reviews, and few ERW or SAW shipments in grades higher than X-60-69.¹²⁸ Mexican producers would therefore not be likely to participate meaningfully in the substantial proportion of the U.S. market that consists of ERW CWLDLP and the large and growing proportion consisting of CWLDLP in grades X-70-79 and higher.¹²⁹

Mexican producers' end-of-period inventories increased over the period examined in absolute terms, from *** short tons in 2001 to *** short tons in 2006, and was *** short tons in interim 2007 compared with *** short tons in interim 2006.¹³⁰ The ratio of inventories to shipments, however, fluctuated between a low of *** percent in interim 2006 and a high of *** percent in 2001.¹³¹ Mexican producers are subject to a 15 percent tariff imposed by Venezuela in November 2006, but are not subject

¹²³ See also Government of Mexico's posthearing brief.

¹²⁴ See Hearing transcript, p. 132 (Schagrin).

¹²⁵ Procarsa's revised foreign producer questionnaire response, question II-4; Letter from Procarsa, April 21, 2008, at 7.

¹²⁶ Letter from Procarsa, April 21, 2008, at 7.

¹²⁷ See Section II.B, *supra*. Based on the Mexican producers' maximum projected exports to the United States in the event of revocation, including *** short tons from Procarsa, *** short tons from Tubacero, and *** short tons from Tuberia Laguna, Mexican industry exports to the United States would be *** short tons, equivalent to *** percent of apparent U.S. consumption in 2006. See Memorandum INV-JJ-017 (February 28, 2011) at 31; CR/PR at Table I-11.

¹²⁸ See CR/PR at Tables G-7-8; see also section III.D., *supra*.

¹²⁹ CR/PR at Tables II-2, IV-7, C-2. As the Panel held, "Because the revised questionnaire did not specify whether *** or whether Procarsa is ***, . . . this finding of product range by the ITC would not be affected by Procarsa's revised questionnaire." Panel Decision at 33.

¹³⁰ CR/PR at Table IV-24.

¹³¹ CR/PR at Table IV-24.

to any trade-related investigation in countries other than the United States.¹³² An examination of inventories and barriers to importation supports our conclusion that significant volumes of subject imports from Mexico are not likely upon revocation.

In sum, we find that the likely volume of subject imports from Mexico would not be significant, either in absolute terms or relative to production or consumption in the United States, were the antidumping duty order on CWLDLP from Mexico to be revoked.

D. Likely Price Effects and Likely Adverse Impact of Subject Imports

Because we have again found that subject import volume from Mexico would not likely be significant in the event of revocation, we adopt our Original Views concerning the likely price effects and likely adverse impact of subject imports from Mexico in their entirety. We find that subject imports from Mexico would likely have no adverse effects on prices for the domestic like product after revocation of the order, and that revocation of the order would likely have no significant adverse impact on the domestic industry.

Two key factors that influenced our analysis of likely price effects and likely impact are worth highlighting. First, we again predicate our finding of no likely significant adverse price effects in part on evidence that subject imports from Mexico did not undersell the domestic like product pervasively in the original investigation, and that PMT, which pursued an aggressive pricing strategy and accounted for the largest share of Mexican CWLDLP exports to the United States over the original investigation period, was liquidated in 2002.¹³³ Second, we again bolster our finding of no likely significant adverse impact with reference to our finding that the domestic industry is not vulnerable to the recurrence of material injury.¹³⁴

CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty order on CWLDLP from Mexico would not likely lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

¹³² CR at IV-49; PR at IV-28.

¹³³ See Original Views, at 36; see also Hearing transcript, pp. 223-24 (Benitez); Original Investigation Staff Report at Table VII-6; Original investigation foreign producers' questionnaire response of PMT at 8; CR at IV-39; PR at IV-25.

¹³⁴ See Original Views, at 37.

SEPARATE VIEWS OF COMMISSIONER DEAN A. PINKERT

Based on the record in these reviews on remand from the NAFTA Binational Panel, I determine under section 751(c) of the Tariff Act of 1930, as amended, that revocation of the antidumping duty orders on certain welded large diameter line pipe (“CWLDLP”) from Japan and Mexico would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. My determination with respect to CWLDLP from Japan is unchanged from my determination in the original five-year review. I have changed my determination with respect to CWLDLP from Mexico from negative to affirmative, however, based upon the revised information the Commission received from the Mexican producer Tuberias Procarsa, S.A. de C.V. (“Procarsa”) that the NAFTA Panel has required the Commission to consider on remand.¹³⁵ As set forth below, having considered the new information from Procarsa together with all other information of record, I now cumulate subject imports from Japan and Mexico in reaching my determinations.

In making these determinations, I join section I of the majority’s remand views (“Background”), except where otherwise indicated. In addition, I continue to join and adopt as part of this opinion the following sections of the Commission’s views in the original five-year reviews: section I (Background), section II (Domestic Like Product and Industry), section III.A (Cumulation - Framework), section IV (Legal Standards in a Five-Year Review), and section V (Conditions of Competition and the Business Cycle). I also continue to join and adopt for purposes of the present opinion the Commission’s conclusions in section VI of the original views with respect to the likely effects on the domestic industry producing CWLDLP of revocation of the antidumping duty order on CWLDLP from Japan. Inasmuch as I am now cumulating subject imports from Japan with subject imports from Mexico, however, I make an affirmative determination in these reviews with respect to imports from both countries, as discussed further below.

I. CUMULATION

Contrary to the conclusion I reached based on the record in the original reviews, I find that, if the antidumping duty order on CWLDLP from Mexico were revoked, imports of CWLDLP from Mexico are not likely to have no discernible adverse impact on the domestic industry.¹³⁶ In making this finding, I note that the “no discernible” standard set forth in section 752(a)(7) of the Act, 19 U.S.C. § 1675a(a)(7), is relatively difficult to satisfy¹³⁷ and that my contrary finding in the original reviews was a fairly close one that was based on the information then available to me.

¹³⁵ I note that the NAFTA Panel’s opinion and remand do not address my views in the original five-year reviews, nor were my views placed in issue on appeal by U.S. Steel. Nevertheless, the Panel’s finding that the Commission “should evaluate the significance of *** revised questionnaire data” is directed to the entire Commission. Panel Decision at 43. Moreover, the Panel found that Procarsa’s “changes in capacity in the reasonably foreseeable future” constituted “a fundamental factor for a determination of future harm and that it was precisely this factor that was corrected by Procarsa’s revised questionnaire.” *Ibid.* at 43-44. Consequently, it is within the ambit of the Panel’s remand for me to reconsider my original views in light of the revised Procarsa data.

¹³⁶ As discussed in section III.B of the Commission’s views in the original reviews, which I joined insofar as it addressed imports from Japan, I do not find that revocation of the antidumping duty order on imports from Japan would likely have no discernible adverse impact on the domestic industry.

¹³⁷ Nippon Steel Corp. v. United States, 494 F.3d 1371, 1370 (Fed. Cir. 2007).

As of 2006, the Mexican CWLDLP industry had a total capacity of *** short tons and total production of *** short tons.¹³⁸ The record information in this remand proceeding, including the new information provided by Procarsa, indicates – contrary to the information in the original reviews – that a *** within the reasonably foreseeable future.

Procarsa ***.¹³⁹ Procarsa is ***.¹⁴⁰ Procarsa projects that its *** short tons in 2009.¹⁴¹ It also projects that its production on the ***.¹⁴²

Procarsa estimates that in 2008 ***.¹⁴³ Thus, Procarsa’s ***. It would also ***.¹⁴⁴

As noted above, Procarsa ***. Procarsa has provided *** , which would ***. It would also increase the Mexican industry’s CWLDLP capacity by ***.¹⁴⁵

In addition, there is good reason to believe that, despite the Mexican industry’s relatively modest level of exports during the period of review, its increased capacity would be used, at least in significant part, for exports to the United States in the reasonably foreseeable future if the antidumping duty order were revoked. The United States was the primary export market for Mexican CWLDLP producers prior to the order. With the discipline of the order in effect, Mexican exports of CWLDLP to the United States ***.¹⁴⁶

In response to the Commission’s foreign producer questionnaire, however, ***.^{147 148} In addition, the *** , which is frequently used in line pipe projects and accounts for the great majority of U.S. demand.^{149 150}

It is also notable that ***.¹⁵¹ This ***. Finally, increased Mexican exports to the United States in the event of revocation would be facilitated by the presence of a major U.S. purchaser of CWLDLP in Mexico City.¹⁵²

¹³⁸ Memorandum INV-JJ-017 (February 28, 2011), at Remand Table 1. The Mexican industry’s capacity contracted significantly after the original investigations when a significant Mexican producer, Productora Mexicana de Tuberia S.A. de C.V., closed in 2002. *Ibid.* at 3, Remand Table 2.

¹³⁹ ***. Memorandum INV-JJ-017 (February 28, 2011) at 4.

¹⁴⁰ Memorandum INV-JJ-017 (February 28, 2011) at 10.

¹⁴¹ ***. Memorandum INV-JJ-017 (February 28, 2011) at 18 n.26.

¹⁴² Memorandum INV-JJ-017 (February 28, 2011) at 17-18.

¹⁴³ Memorandum INV-JJ-017 (February 28, 2011) at 18 n.29.

¹⁴⁴ Memorandum INV-JJ-017 (February 28, 2011) at Remand Table 2; Procarsa’s revised foreign producer questionnaire response, question II-16c (***).

¹⁴⁵ Memorandum INV-JJ-017 (February 28, 2011) at 15, Remand Table 2.

¹⁴⁶ Memorandum INV-JJ-017 (February 28, 2011) at Remand Table 3.

¹⁴⁷ ***. Memorandum INV-JJ-017 (February 28, 2011) at 10. Contrary to ***. Moreover, whatever *** in the event the order is lifted.

¹⁴⁸ ***. Letter from Jeffrey M. Winton, counsel for Procarsa, to Marilyn R. Abbott, April 21, 2008, at 7. Thus, ***.

¹⁴⁹ Larger diameter pipe (SAW pipe) accounted for *** percent of the U.S. market in 2006. Original Review CR at Tables C-1, C-3.

¹⁵⁰ ***. Thus, it is unclear whether ***.

¹⁵¹ Letter from Jeffrey M. Winton, counsel for Procarsa, to Marilyn R. Abbott, April 21, 2008, at 4.

¹⁵² Hearing transcript, p. 308 (Fisher).

Based on the record information above, I find that subject imports from Mexico are not likely to have no discernible adverse impact on the domestic industry if the antidumping duty order on such imports were revoked. Having made the same threshold finding with respect to subject imports from Japan, I must further consider whether imports from Japan and Mexico would be likely to compete with each other and with the domestic like product in the U.S. market, as provided in 19 U.S.C. § 1675a(a)(7). Having considered the record evidence with respect to this issue, I join section III.C of the Commission's views in the original reviews and find that there would likely be a reasonable overlap of competition between subject imports and the domestic like product, as well as between subject imports from Japan and Mexico, if the orders were revoked.

I do not, however, join the discussion of other factors in section III.D of the Commission's original views or my colleagues' decision not to exercise discretion to cumulate subject imports from Japan and Mexico in these reviews. Where, in a five-year review, I do not find that the subject imports would be likely to have no discernible adverse impact on the domestic industry if the order were revoked and find that such imports would be likely to compete with each other and with the domestic like product in the U.S. market, I cumulate such imports unless there is a condition or propensity – not merely a trend – that is likely to persist for a reasonably foreseeable time and that significantly limits competition such that cumulation is not warranted.¹⁵³ In this case, I find no evidence of such a propensity. Given that subject imports from Japan and Mexico have a moderate to high level of substitutability and compete in the United States in overlapping geographic markets and channels of distribution, I find it appropriate to cumulate subject imports from the two countries.

II. REVOCATION OF THE ORDERS ON CWLDLP FROM JAPAN AND MEXICO WOULD LIKELY LEAD TO THE CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

Because I am now cumulating subject imports from Japan and Mexico, I must consider the combined impact of such imports. In the original reviews, I joined section VI of the Commission's views, which discussed the reasons for the Commission's determination that revocation of the order on CWLDLP from Japan would be likely to lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. As noted above, I continue to join that portion of the original views and adopt it for purposes of the present opinion.

The findings I made in the original reviews with respect to likely material injury by reason of imports from Japan apply with all the greater force now that I have cumulated subject imports from Japan and Mexico. With the majority of my colleagues, I found "that Japanese producers possess the market presence, the capacity, and the incentive to significantly increase their exports to the United States, such that the likely volume of imports would be significant both in absolute terms and relative to production or consumption in the United States were the antidumping duty order revoked."¹⁵⁴ The likely increase in the Mexican industry's capacity, production, and exports to the United States, which is discussed in section I above, would further contribute to this likely significant increase in subject import volume and market share.

I further found in the original reviews, together with the majority of my colleagues, that – as had happened in the original investigations – imports from Japan were likely to significantly undersell the domestic product in the event of revocation and lead to the depression or suppression of domestic prices

¹⁵³ Original Views at 9 n.48.

¹⁵⁴ Original Views at 27.

to a significant degree.¹⁵⁵ Although imports from Mexico were found in the original investigations to undersell the domestic like product in only four of nine quarterly comparisons, the combined adverse price effects of the likely increased imports from both Japan and Mexico plainly would be significant if the pricing discipline of the orders were removed.

Finally, as part of the majority in the original reviews, I concluded “that if the order on CWLDLP from Japan were to be revoked, the likely significant increase in the volume of subject imports, coupled with their likely adverse price effects, would likely have a significant negative impact on the domestic industry in terms of output, sales, market share, profits, productivity, return on investments, utilization of capacity, cash flow, inventories, employment, wage growth, ability to raise capital, investment, and the industry’s development and production efforts.”¹⁵⁶ The same conclusion necessarily flows from the cumulated volume and price effects of imports from Japan and Mexico. Consequently, I determine that, if the antidumping duty orders were revoked, subject imports from Japan and Mexico would be likely to lead to the continuation or recurrence of material injury to the domestic CWLDLP industry within a reasonably foreseeable time.

¹⁵⁵ Original Views at 28-29.

¹⁵⁶ Original Views at 30.

BACKGROUND

On November 1, 2006, the U.S. International Trade Commission (“Commission” or “USITC”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930 (“the Act”), that it had instituted reviews to determine whether revocation of the antidumping duty orders on certain welded large diameter line pipe (“CWLDLP”)¹ from Japan and Mexico would likely lead to the continuation or recurrence of material injury to a domestic industry. Effective February 5, 2007, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act. On October 2, 2007, the Commission determined that revocation of the antidumping duty order on CWLDLP from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time and that revocation of the antidumping duty order on CWLDLP from Mexico would not be likely to lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.² On April 21, 2008, six months after completion of the Commission’s review, the Mexican producer Tuberias Procarsa, S.A. de C.V. (“Procarsa”) attempted to file with the Commission a revised foreign producers’ questionnaire response which sought to revise certain aspects of its originally reported capacity, production, and shipment data. On April 24, 2008, the Commission rejected the submission on the grounds that it was untimely filed.

Domestic interested party U.S. Steel appealed the Commission’s determination with respect to Mexico under Article 1904 of the North American Free Trade Agreement (“NAFTA”). On January 19, 2011, the NAFTA Panel issued its decision and remanded the case with instructions for the Commission to reexamine its analysis of cumulation and likely injury in light of Procarsa’s revised foreign producers’ response. On February 15, 2011, the Commission re-opened the record for the limited purpose of accepting Procarsa’s revised questionnaire response and associated correspondence, and invited parties to comment on the new information.³ Information relating to the background and schedule of the remand proceeding is provided in the following tabulation.⁴ The remainder of this report focuses on the CWLDLP industry in Mexico, taking into account the new information on the record.

¹ The product covered by this proceeding is certain welded carbon and alloy steel line pipe, of circular cross section and with an outside diameter (“O.D.”) greater than 16 inches (406.4 mm), but less than 64 inches (1,625.6 mm), whether or not stenciled. A complete description of the domestic like product and the imported subject merchandise is presented in *Certain Welded Large Diameter Line Pipe From Japan and Mexico, Inv. Nos. 731-TA-919 and 920 (Review)*, USITC Publication 3953, October 2007.

² *Certain Welded Large Diameter Line Pipe from Japan and Mexico, Determination*, 72 FR 59551, October 22, 2007.

³ *Certain Welded Large Diameter Line Pipe from Japan and Mexico, Notice*, 76 FR 9608, February 18, 2011.

⁴ The Commission’s notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy may be found at the Commission’s web site (internet address www.usitc.gov). Commissioners’ votes on whether to conduct expedited or full reviews may also be found at the web site.

Effective date	Action
December 6, 2001	Commerce's antidumping duty order on Japan (66 FR 63368)
February 27, 2002	Commerce's antidumping duty order on Mexico (67 FR 8937)
November 1, 2006	Commission's institution of reviews (71 FR 64294)
February 5, 2007	Commission's decision to conduct full reviews (72 FR 6746, February 13, 2007)
February 22, 2007	Commission's scheduling of the reviews (72 FR 9357, March 1, 2007)
March 8, 2007	Commerce's final results of expedited reviews (72 FR 10498)
July 25, 2007	Commission's hearing (<u>see Notice of Revised Schedule</u> , 72 FR 30832, June 4, 2007)
October 2, 2007	Commission's vote
October 16, 2007	Commission's determinations transmitted to Commerce (72 FR 59551, October 22, 2007)
November 5, 2007	Continuation of antidumping duty order on CWLDLP from Japan (72 FR 62435, November 5, 2007)
February 27, 2007	Revocation of antidumping duty order on CWLDLP from Mexico (72 FR 62436, November 5, 2007)
April 21, 2008	U.S. Steel requested review of the Commission's determination regarding Mexico before a NAFTA panel
January 19, 2011	NAFTA Panel decision issued, determination regarding CWLDLP from Mexico remanded to the Commission
February 15, 2011	Commission re-opens the record (76 FR 9608, February 18, 2011)
April 12, 2011	Commission's remand determination filed with the NAFTA Panel

THE INDUSTRY IN MEXICO

Overview

In their responses to the Commission's notice of institution in the five-year reviews, counsel on behalf of respondents in Mexico identified three known producers of CWLDLP in Mexico and counsel on behalf of respondents in Japan identified a fourth potential Mexican producer.⁵ The Commission issued questionnaires to each of these companies. Counsel on behalf of three Mexican respondents provided complete data and the fourth company provided data independently. Accordingly, the data presented in this report are for Tubacero, S.A. de C.V. ("Tubacero"), Tuberia Laguna, S.A. de C.V. ("Tuberia Laguna"), Procarsa, and Tubesa S.A. de C.V. ("Tubesa").⁶ Procarsa's data have been updated to reflect

⁵ The potential Mexican producers identified were: Tubacero, S.A. de C.V., Tuberia Laguna, S.A. de C.V., Tuberias Procarsa, S.A. de C.V., and Tubesa S.A. de C.V.

⁶ The Commission's questionnaires directed foreign and domestic producers to provide business plans or internal documents, reports, or studies, relating to future CWLDLP market conditions. Counsel on behalf of responding producers in Mexico stated that they do not have business plans specific to the subject products because their business documents do not separate large and small diameter line pipe. Because they deemed their documents
(continued...)

the information contained in its revised foreign producers' questionnaire response, filed on February 18, 2011.

In the preliminary phase of the original investigations, five producers from Mexico provided the Commission with data: Productora Mexicana de Tuberia S.A. de C.V. ("PMT"), Procarsa, Tubacero, Tuberia Laguna, and Tubesa. During the original investigations U.S. imports of CWLDLP from Mexico were largely produced by PMT. In June 2002, after the imposition of the antidumping duty order on imports of CWLDLP from Mexico, Ispat, which was the majority shareholder of PMT, liquidated PMT and sold off its manufacturing equipment to a firm located in Saudi Arabia.⁷

Remand table 1 presents comparative information available from the final phase of the original investigations and the five-year reviews. The companies responding in the reviews calculated capacity differently from the original investigations. Therefore, despite the fact that currently-installed capacity has not increased since the early 1980s,⁸ and a producer with a capacity of *** short tons closed, capacity in 2006 is reportedly higher. This represents differences in reporting methodology, rather than in equipment or machinery.⁹

One of these responding firms, ***, produces both ERW and SAW line pipe while *** and *** currently produce exclusively ERW pipe. When ***,¹⁰ *** produces exclusively spiral-welded pipe.¹¹ With an increase in capacity of *** percent, producers in Mexico were able to increase production by *** percent from 2000 to 2006 because capacity utilization in 2000 was only *** percent. By 2006 capacity utilization had reached *** percent and exports as a share of total shipments had declined from *** percent to *** percent.

⁶ (...continued)

unresponsive to the Commission's request, they have not been submitted. Staff telephone interview with ***, June 8, 2007.

⁷ Tubacero's response to the notice of institution, p. 7. During the period examined in the original investigations PMT won a contract to supply a major Enron pipeline project in Florida that resulted in an increase in exports from Mexico to supply the project. Mexican respondents' posthearing brief, p. 4, hearing transcript, pp. 223-224 (Benitez), and *Certain Welded Large Diameter Line Pipe from Japan and Mexico*, Inv. Nos. 731-TA-919 and 920 (Final), Staff Report, INV-Y-214, October 17, 2001, pp. V-16-V-17.

⁸ Mexican respondents' posthearing brief, p. 2.

⁹ According to Mexican respondent interested parties, they reported different capacities in the reviews because of changes in their reading of the questionnaire instructions. They read the instructions in the original investigations to require production capacity that could be reasonably expected under normal operating conditions and the instructions in the reviews to require theoretical machine capacity. Staff telephone interview with *** and ***.

¹⁰ Procarsa's remand foreign producer questionnaire response, section II-16c. This ***. Procarsa's remand foreign producer questionnaire response, section II-4.

¹¹ The Commission asked foreign producers to describe the production technology and inputs used in their manufacture of CWLDLP. The producers in Mexico reported no significant changes in production technology since 2001 but did describe their production processes. *** mills one and two produce SAW pipe by a continuous rolling process (cage forming process), using ERW as a tack welding. Further down the line, the pipe is longitudinally submerged-arc welded, expanded, beveled, and hydrostatically and ultrasonically tested. *** mill number two also produces ERW pipe using a continuous rolling process and electric resistance welding by contacts from 18" to 30" outside diameter. *** manufactures pipe with a Torrance mill using an ERW-high frequency process. *** reported that it has been using the same mill since 1977 to process pipe with longitudinal, ERW Torrance, and Thermatool welds. ***. The single HSAW producer, ***, reported that its production technology has not changed since 2001 and that its main production inputs are steel coils, welding wire and welding flux. *** foreign producer questionnaire responses, section II-5 and Procarsa's remand foreign producer questionnaire response, section II-4.

Remand Table 1
CWLDLP: Comparison of select Mexican producer data, 2000 and 2006

* * * * *

To better illustrate the differences in reported capacity between the original investigations and the five-year reviews, a company-by-company comparison of capacity is presented in remand table 2. Data for 2000 are drawn from the preliminary phase of the original investigations. The data are comparable in that both captured information from all producers of CWLDLP in Mexico (five in 2000 and four in 2006 because of the closure of PMT). However, as noted above, the companies responding in the reviews calculated capacity differently than in the original investigations.¹²

Remand Table 2
CWLDLP: Comparison of select Mexican producer capacity and production data, 2000 and 2006

* * * * *

CWLDLP Operations

Data on Mexico's total CWLDLP capacity, production, inventories, and shipments are presented in remand table 3. Because PMT closed in 2002 and did not provide data for 2001-02, the data presented are understated for those years.

During the period for which data were collected in the reviews, Mexican CWLDLP capacity remained constant while production increased by *** percent between 2001 and 2006. Capacity utilization increased over this period by *** percentage points. Home market shipments increased overall by *** percent. In January-June 2007, however, home market shipments were *** of their January-June 2006 level. Exports to all other markets *** but *** after 2003. As a share of shipments, exports were highest in *** at *** percent and were less than *** percent in every period thereafter.

Remand Table 3
CWLDLP: Mexico's capacity, production, inventories, and shipments, 2001-06, January-June 2006, and January-June 2007

* * * * *

In response to the Commission's question on changes in capacity and plans to add, expand, or curtail their production capacity in the future, three responding producers in Mexico replied in the

¹² Remand tables 1 and 2 also reflect differences in reporting between the preliminary and final phases of the original investigations. The primary differences include reporting by two Mexican producers in the preliminary phase that did not report data in the final phase and greater estimates of capacity by one Mexican producer in the final phase of the investigations than in the preliminary phase of the investigations.

negative. They reported neither changes in their capacity nor plans to change their capacity.¹³ The fourth producer, *** reported that ***, ***,¹⁴ Procarsa ***,¹⁵

In addition, all producers reported that they do not anticipate changes in their operations.¹⁶ The Commission asked producers in Mexico whether they have imported or have plans to import CWLDLP into the United States and all responded in the negative.¹⁷ In response to the Commission's question on limitations on CWLDLP that each firm is capable of producing, neither *** nor *** answered. *** explained that there are no constraints, only those imposed by the product specifications.

The Commission requested information on the basis of production capacity calculations made by the producers in Mexico. Data on Mexican producers' CWLDLP production capacity calculations are presented in remand table 4.

Remand Table 4
CWLDLP: Mexico's basis of reported production capacity

* * * * *

Sales of CWLDLP accounted for varying shares of total sales by responding producers in Mexico. In the most recent fiscal year, *** had the highest percentage of CWLDLP sales with *** percent. *** had the second highest percentage of such sales with *** percent. In contrast, *** percent of *** sales and only *** percent of *** total sales were sales of CWLDLP.¹⁸ During the period for which data were collected, the Mexican industry's internal consumption and home market shipments of CWLDLP increased by *** and *** percent, respectively, though the former remained quite small. Also during this period, total exports decreased by more than *** percent. At no time during the period did producers in Mexico report exporting CWLDLP to the European Union, China, or other markets in Asia. Exports accounted for the highest portion of shipments in 2001 at *** percent, and the lowest in 2004 and 2005, at *** percent. The unit values of exports to all other markets were highest in 2006, at ***.

Data on shipments by producers in Mexico by grade, diameter, and wall thickness of CWLDLP are presented in remand table 5. During the period for which data were collected shipments of CWLDLP produced in Mexico were predominantly in the *** although there were ***. Shipments by diameter were *** but were frequently highest in diameters between *** inches or between *** inches. In the *** CWLDLP shipments were predominantly of *** with wall thicknesses between ***.

Remand Table 5
CWLDLP: Mexico's shipments by grade, diameter, and wall thickness, 2001-06

* * * * *

The Commission requested details on the export markets that producers in Mexico have developed or where they have increased their sales of CWLDLP since 2001. *** reported that it has not developed export markets, or increased its sales of CWLDLP since 2001, and *** did not respond to the

¹³ *** foreign producer questionnaire responses, sections II-4 and II-1.

¹⁴ Procarsa's remand foreign producer questionnaire response, section II-4. Additional details regarding product mix, available (as opposed to theoretical) capacity, and operating projections are presented later in this chapter.

¹⁵ Procarsa's remand foreign producer questionnaire response, section II-4.

¹⁶ Procarsa's foreign producer questionnaire responses, section II-2.

¹⁷ *** foreign producer questionnaire responses, section I-6.

¹⁸ *** foreign producer questionnaire responses, section II-9.

question.¹⁹ *** explained that since 2001 it has exported to central and south America, to countries that either do not produce steel pipes or that demand more pipe than their domestic industries can supply.²⁰ *** detailed its sales to specific export markets developed since 2001, presented in the tabulation below.²¹

* * * * *

Mexican exports of steel line pipe are currently subject to a 15 percent tariff imposed by Venezuela in November 2006.²² According to the responding producers, their exports of CWLDLP are not subject to any current investigations in any countries other than the United States.²³ No producers in Mexico reported maintaining inventories of CWLDLP in the United States since 2001.²⁴

The Commission requested producers in Mexico to report their existing backlog or order book volume at year-end. These data are presented in remand table 6. These figures represent only the data of *** and *** because the other producers did not respond.²⁵

Remand Table 6

CWLDLP: * and *** existing order backlog, December 2001-06, June 2006 and June 2007**

* * * * *

Data on Mexico's projected CWLDLP capacity, production, inventories, and shipments are presented in remand table 7. Projections are based on the orders remaining in effect. Capacity to produce CWLDLP is projected to increase by *** short tons in 2008. This is the result of *** planned addition of *** short tons of SAW CWLDLP production capacity combined with *** reported reduction of *** short tons of ERW CWLDLP production capacity.

Remand Table 7

CWLDLP: Mexico's projected capacity, production, inventories, and shipments, 2007-08

* * * * *

*** projects that its maximum capacity to produce ***.²⁶ ***.²⁷

Alternative Products

In addition to subject large diameter line pipe, Mexican firms produce a range of other steel products, including standard pipe, structural pipe, oil country tubular goods, and other line pipe. However, CWLDLP accounted for the second largest share of Mexican producers' total production. Data

¹⁹ *** as submitted in U.S. Steel's supplemental domestic producer's questionnaire response, June 8, 2007, attachment C, pp. C-10-11.

²⁰ *** foreign producer questionnaire response, section II-12.

²¹ *** foreign producer questionnaire response, section II-12.

²² *** foreign producer questionnaire response, section II-13.

²³ *** foreign producer questionnaire responses, section II-13b.

²⁴ *** foreign producer questionnaire responses, section II-11.

²⁵ *** foreign producer questionnaire responses, section II-6c.

²⁶ According to ***. Procarsa's remand foreign producer questionnaire response, section II-4 and letter from ***, April 21, 2008.

²⁷ Procarsa's remand foreign producer questionnaire response, section II-4.

regarding Mexican CWLDLP producers' total steel capacity and production of all products are presented in remand table 8. The data reported are for all four responding producers.²⁸ As presented in table 8, the production capacity for all steel products remained constant from 2001 through 2006. However, ***. The company reported that ***.²⁹ The subject product and other line pipe constituted the bulk of production in Mexico between 2001 and 2006.

The Commission asked producers in Mexico if they are able to switch production between CWLDLP and other products in response to a change in the price of CWLDLP relative to the prices of other products, using the same equipment and machinery. Three producers responded that *** while *** reported that it switches production between CWLDLP and *** based on ***.³⁰

Remand Table 8

CWLDLP: Mexico's total steel capacity, and production by product types, 2001-06

* * * * *

Additional Mexican Industry Data

In addition to the data previously discussed, the Commission collected data disaggregated by production method. Remand tables 9 through 12 present trade data for production of CWLDLP by the ERW and SAW method separately. Remand tables 13 and 14 present data on ERW and SAW line pipe shipments by size, grade, and wall thickness.

Remand Table 9

CWLDLP: Data for producers of ERW line pipe in Mexico, 2001-06, January-June 2006, and January-June 2007

* * * * *

Remand Table 10

CWLDLP: Mexico's projected capacity, production, inventories, and shipments of ERW line pipe, 2007-08

* * * * *

Remand Table 11

CWLDLP: Data for producers of SAW line pipe in Mexico, 2001-06, January-June 2006, and January-June 2007

* * * * *

²⁸ *** foreign producer questionnaire responses, section II-7.

²⁹ Procarisa's remand foreign producer questionnaire response, section II-4. In addition, the company projected that, in 2008, roughly *** percent of its production on the new production line will consist of WLDLP, while the remaining *** percent will consist of other nonsubject products. Letter from ***, April 21, 2008. The company reported that in its most recent fiscal year *** percent of the firm's total sales was represented by sales of CWLDLP. In 2006, *** accounted for *** percent of total *** and *** accounted for *** percent of total *** by ***.

³⁰ *** foreign producer questionnaire responses, section II-10.

Remand Table 12

CWLDLP: Mexico's projected capacity, production, inventories, and shipments of SAW line pipe, 2007-08

* * * * *

Remand Table 13

CWLDLP: Mexico's shipments of ERW line pipe by size, grade, and wall thickness, 2001-06, January-June 2006, and January-June 2007

* * * * *

Remand Table 14

CWLDLP: Mexico's shipments of SAW line pipe by size, grade, and wall thickness, 2001-06, January-June 2006, and January-June 2007

* * * * *

Comments by Mexican Producers Regarding the Effects of the Orders and the Likely Effects of Revocation

The Commission requested foreign producers to describe any anticipated changes in the character of their operations or organization relating to the production of CWLDLP in the future if the antidumping duty orders on CWLDLP from Japan and Mexico were to be revoked. Their responses are as follows:

"No."

"No."

"No."

Comments by Mexican Producers Regarding the Significance of the Orders In Terms of Trade and Related Data

The Commission requested foreign producers to describe the significance of the existing antidumping duty orders on CWLDLP from Japan and Mexico, in terms of their effect on the firms' production capacity, production, home market shipments, exports to the United States and other markets, and inventories. Their responses are as follows:

"The antidumping duty was imposed in consequence of an antidumping claim against an export sale made by ***. The antidumping orders have had a negative effect on *** exports to the United States. Prior to the imposition of antidumping duties, *** was able to export a small volume of subject merchandise to the United States (ranging from roughly *** tons per year in the mid-1990's to roughly *** in 1999 and *** tons in 2000). However, since the antidumping duties were imposed, we have ceased all exports to the United States."

“Because of the antidumping duty of *** percent applied to imports of welded large diameter line pipe from ***, we have not been able to export large outside diameter products to the United States. We have therefore focused on sales of smaller diameter products and other markets.”

No response was given.

**Comments by Mexican Producers Regarding the Anticipated Changes in Trade
and Related Data If The Orders Were To Be Revoked**

The Commission requested foreign producers to describe any anticipated changes in their production capacity, production, home market shipments, exports to the United States and other markets, or inventories relating to the production of CWLDLP in the future if the antidumping duty orders on CWLDLP from Japan and Mexico were to be revoked. Their responses are as follows:

“Yes. *** anticipates just to recover its normal sales export level that it had before the imposition of the orders.”

“Yes. If the antidumping duty is revoked, we would expect to be able to resume sales of large outside diameter products to the United States. Given current market conditions, we do not expect to compete for large projects or for most spot sales, but we believe there may be opportunities to make some spot sales on a profitable basis when other suppliers do not have material available. We see this potential market as around *** tons per year under current conditions.”

“***.”

APPENDIX A

FEDERAL REGISTER NOTICES

**INTERNATIONAL TRADE
COMMISSION**

**[Investigation Nos. 731–TA–919 and 920
(Review)]**

**Welded Large Diameter Line Pipe From
Japan and Mexico**

AGENCY: United States International
Trade Commission.

ACTION: Institution of five-year reviews
concerning the antidumping duty orders
on welded large diameter line pipe from
Japan and Mexico.

SUMMARY: The Commission hereby gives
notice that it has instituted reviews
pursuant to section 751(c) of the Tariff
Act of 1930 (19 U.S.C. 1675(c)) (the Act)
to determine whether revocation of the
antidumping duty orders on welded
large diameter line pipe from Japan and
Mexico would be likely to lead to
continuation or recurrence of material

injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;¹ to be assured of consideration, the deadline for responses is December 21, 2006. Comments on the adequacy of responses may be filed with the Commission by January 16, 2007. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: *Effective Date:* November 1, 2006.

FOR FURTHER INFORMATION CONTACT:

Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background. On December 6, 2001, the Department of Commerce issued an antidumping duty order on imports of welded large diameter line pipe from Japan (66 FR 63368). On February 27, 2002, the Department of Commerce issued an antidumping duty order on imports of welded large diameter line pipe from Mexico (67 FR 8937). The Commission is conducting reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full

reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions. The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) The *Subject Countries* in these reviews are Japan and Mexico.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determinations, the Commission found a single *Domestic Like Product* consisting of certain welded large diameter line pipe, coextensive with Commerce's scope.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations, the Commission found a single *Domestic Industry* consisting of all domestic producers of certain welded large diameter line pipe.

(5) The *Order Dates* are the dates that the antidumping duty orders under review became effective. In these reviews, the *Order Dates* are December 6, 2001 (Japan) and February 27, 2002 (Mexico).

(6) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the reviews and public service list. Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Former Commission employees who are seeking to appear in Commission

five-year reviews are reminded that they are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to appear was pending in any manner or form during their Commission employment. The Commission's designated agency ethics official has advised that a five-year review is the "same particular matter" as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek informal advice from Commission ethics officials with respect to this and the related issue of whether the employee's participation was "personal and substantial." However, any informal consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202–205–3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list. Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification. Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions. Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 07–5–163, expiration date June 30, 2008. Public reporting burden for the request is estimated to average 10 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

specified below. The deadline for filing such responses is December 21, 2006. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is January 16, 2007. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

Inability to provide requested information. Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

Information to be Provided in Response to this Notice of Institution: If you are a domestic producer, union/worker group, or trade/business association; import/export *Subject Merchandise* from more than one *Subject Country*; or produce *Subject Merchandise* in more than one *Subject Country*, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country*. As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the *Domestic Like Product*, a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer or exporter of the *Subject Merchandise*, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty orders on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product*. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in each *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries since the *Order Dates*.

(7) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2005 (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) The quantity and value of U.S. commercial shipments of the *Domestic*

Like Product produced in your U.S. plant(s); and

(c) The quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country(ies)*, provide the following information on your firm's(s') operations on that product during calendar year 2005 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of *Subject Merchandise* imported from each *Subject Country*; and

(c) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from each *Subject Country*.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country(ies)*, provide the following information on your firm's(s') operations on that product during calendar year 2005 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in each *Subject Country* accounted for by your firm's(s') production; and

(b) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the

market for the *Subject Merchandise* in each *Subject Country* since the *Order Dates*, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in each *Subject Country*, and such merchandise from other countries.

(11) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry*; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Issued: October 25, 2006.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E6-18311 Filed 10-31-06; 8:45 am]

BILLING CODE 7020-02-P

**INTERNATIONAL TRADE
COMMISSION****[Investigation Nos. 731-TA-919 and 920
(Review)]****Welded Large Diameter Line Pipe From
Japan And Mexico****AGENCY:** United States International
Trade Commission.**ACTION:** Notice of Commission
determinations to conduct full five-year
reviews concerning the antidumping
duty orders on welded large diameter
line pipe from Japan and Mexico.**SUMMARY:** The Commission hereby gives
notice that it will proceed with full
reviews pursuant to section 751(c)(5) of
the Tariff Act of 1930 (19 U.S.C.
1675(c)(5)) to determine whether
revocation of the antidumping duty
orders on welded large diameter line
pipe from Japan and Mexico would be
likely to lead to continuation or
recurrence of material injury within a
reasonably foreseeable time. A schedule
for the reviews will be established and
announced at a later date. For further
information concerning the conduct of
these reviews and rules of general
application, consult the Commission's
Rules of Practice and Procedure, part
201, subparts A through E (19 CFR part
201), and part 207, subparts A, D, E, and
F (19 CFR part 207).**EFFECTIVE DATE:** February 5, 2007.**FOR FURTHER INFORMATION CONTACT:**

Mary Messer (202-205-3193), Office of
Investigations, U.S. International Trade
Commission, 500 E Street, SW.,
Washington, DC 20436. Hearing-
impaired persons can obtain
information on this matter by contacting
the Commission's TDD terminal on 202-
205-1810. Persons with mobility
impairments who will need special
assistance in gaining access to the
Commission should contact the Office
of the Secretary at 202-205-2000.
General information concerning the
Commission may also be obtained by
accessing its internet server ([http://
www.usitc.gov](http://www.usitc.gov)). The public record for
these reviews may be viewed on the
Commission's electronic docket (EDIS)
at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION: On
February 5, 2007, the Commission
determined that it should proceed to
full reviews in the subject five-year
reviews pursuant to section 751(c)(5) of
the Act. The Commission found that
both the domestic and respondent
interested party group responses to its
notice of institution (71 FR 64294,
November 1, 2006) were adequate. A
record of the Commissioners' votes, the
Commission's statement on adequacy,
and any individual Commissioner's
statements will be available from the
Office of the Secretary and at the
Commission's Web site.

Authority: These reviews are being
conducted under authority of title VII of the
Tariff Act of 1930; this notice is published
pursuant to § 207.62 of the Commission's
rules.

By order of the Commission.

Issued: February 7, 2007.

Marilyn R. Abbott,*Secretary to the Commission.*

[FR Doc. E7-2456 Filed 2-12-07; 8:45 am]

BILLING CODE 7020-02-P

**INTERNATIONAL TRADE
COMMISSION**

[Investigation Nos. 731–TA–919 and 920
(Review)]

**Welded Large Diameter Line Pipe From
Japan and Mexico**

AGENCY: United States International
Trade Commission.

ACTION: Scheduling of full five-year
reviews concerning the antidumping
duty orders on welded large diameter
line pipe from Japan and Mexico.

SUMMARY: The Commission hereby gives
notice of the scheduling of full reviews
pursuant to section 751(c)(5) of the
Tariff Act of 1930 (19 U.S.C. 1675(c)(5))
(the Act) to determine whether
revocation of the antidumping duty
orders on welded large diameter line
pipe from Japan and Mexico would be
likely to lead to continuation or
recurrence of material injury within a
reasonably foreseeable time. For further
information concerning the conduct of
these reviews and rules of general
application, consult the Commission's
Rules of Practice and Procedure, part
201, subparts A through E (19 CFR part
201), and part 207, subparts A, D, E, and
F (19 CFR part 207).

DATES: *Effective Date:* February 22,
2007.

FOR FURTHER INFORMATION CONTACT:

Dana Lofgren (202–205–3185), Office of
Investigations, U.S. International Trade
Commission, 500 E Street SW.,
Washington, DC 20436. Hearing-
impaired persons can obtain
information on this matter by contacting
the Commission's TDD terminal on 202–
205–1810. Persons with mobility
impairments who will need special
assistance in gaining access to the
Commission should contact the Office
of the Secretary at 202–205–2000.
General information concerning the
Commission may also be obtained by
accessing its Internet server ([http://
www.usitc.gov](http://www.usitc.gov)). The public record for
these reviews may be viewed on the
Commission's electronic docket (EDIS)
at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On February 5, 2007,
the Commission determined that both
the domestic interested party group
response and the respondent group

response to its notice of institution (71 FR 64294, November 1, 2006) of the subject five-year reviews were adequate. Accordingly, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act (72 FR 6746, February 13, 2007). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's Web site.

Participation in the reviews and public service list.—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in these reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the reviews need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the reviews. A party granted access to BPI following publication of the Commission's notice of institution of the reviews need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report.—The prehearing staff report in these reviews will be placed in the nonpublic record on July 9, 2007, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the reviews beginning at 9:30 a.m. on July 26, 2007, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before July 18, 2007.

A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on July 23, 2007, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 business days prior to the date of the hearing.

Written submissions.—Each party to the reviews may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is July 18, 2007. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is August 21, 2007; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the reviews may submit a written statement of information pertinent to the subject of the reviews on or before August 21, 2007. On September 24, 2007, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before September 26, 2007, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the

Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: February 23, 2007.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E7-3542 Filed 2-28-07; 8:45 am]

BILLING CODE 7020-02-P

DEPARTMENT OF COMMERCE**International Trade Administration****[A-588-857, A-201-828]****Certain Welded Large Diameter Line Pipe from Japan and Mexico; Notice of Final Results of Five-year ("Sunset") Reviews of Antidumping Duty Orders**

AGENCY: Import Administration, International Trade Administration, Commerce.

SUMMARY: On November 1, 2006, the Department of Commerce ("the Department") initiated the first sunset reviews of the antidumping duty orders on certain welded large diameter line pipe ("welded large diameter pipe") from Japan and Mexico, pursuant to section 751(c) of the Tariff Act of 1930, as amended, ("the Act"). On the basis of notices of intent to participate and adequate substantive responses filed on behalf of the domestic interested parties and no response from respondent interested parties, the Department has conducted expedited sunset reviews of these antidumping duty orders. As a result of these sunset reviews, the Department finds that revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping at the level indicated in the "Final Results of Reviews" section of this notice.

EFFECTIVE DATE: March 8, 2007.

FOR FURTHER INFORMATION CONTACT: Dena Crossland or Dana Mermelstein, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC, 20230; telephone: (202) 482-3362 or (202) 482-1391, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 1, 2006, the Department initiated the first sunset reviews of the antidumping duty orders on welded large diameter pipe from Japan and Mexico, pursuant to section 751(c) of the Act. *See Initiation of Five-year ("Sunset") Reviews*, 71 FR 64242 (November 1, 2006). The Department received a Notice of Intent to Participate from American Steel Pipe Division of ACIPCO, Berg Steel Pipe Corporation, Dura-Bond Pipe LLC, Oregon Steel Mills, and Stupp Corp. (collectively "domestic interested parties"), within the deadline specified in section 351.218(d)(1)(i) of the Department's regulations. Domestic interested parties claimed interested party status under section 771(9)(C) of the Act as U.S. producers of the subject merchandise.

We received complete substantive responses to the notice of initiation from the domestic interested parties within the 30-day deadline specified in section 351.218(d)(3)(i) of the Department's regulations. We received no responses from the respondent interested parties to these proceedings. As a result, pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department's regulations, the Department conducted expedited sunset reviews of these orders.

Scope of the Orders

Japan

The product covered by this antidumping order is certain welded carbon and alloy line pipe, of circular cross section and with an outside diameter greater than 16 inches, but less than 64 inches, in diameter, whether or not stencilled. This product is normally produced according to American Petroleum Institute ("API") specifications, including Grades A25, A, B, and X grades ranging from X42 to X80, but can also be produced to other specifications. Specifically not included within the scope of this investigation is American Water Works Association ("AWWA") specification water and sewage pipe and the following size/grade combinations; of line pipe:

- Having an outside diameter greater than or equal to 18 inches and less than or equal to 22 inches, with a wall thickness measuring 0.750 inch or greater, regardless of grade.

- Having an outside diameter greater than or equal to 24 inches and less than 30 inches, with wall thickness measuring greater than 0.875 inches in grades A, B, and X42, with wall thickness measuring greater than 0.750 inches in grades X52 through X56, and with wall thickness measuring greater

than 0.688 inches in grades X60 or greater.

- Having an outside diameter greater than or equal to 30 inches and less than 36 inches, with wall thickness measuring greater than 1.250 inches in grades A, B, and X42, with wall thickness measuring greater than 1.000 inches in grades X52 through X56, and with wall thickness measuring greater than 0.875 inches in grades X60 or greater.

- Having an outside diameter greater than or equal to 36 inches and less than 42 inches, with wall thickness measuring greater than 1.375 inches in grades A, B, and X42, with wall thickness measuring greater than 1.250 inches in grades X52 through X56, and with wall thickness measuring greater than 1.125 inches in grades X60 or greater.

- Having an outside diameter greater than or equal to 42 inches and less than 64 inches, with a wall thickness measuring greater than 1.500 inches in grades A, B, and X42, with wall thickness measuring greater than 1.375 inches in grades X52 through X56, and with wall thickness measuring greater than 1.250 inches in grades X60 or greater.

- Having an outside diameter equal to 48 inches, with a wall thickness measuring 1.0 inch or greater, in grades X-80 or greater.

- Having an outside diameter of 48 inches to and including 52 inches, and with a wall thickness of 0.90 inch or more in grade X-80.

- Having an outside diameter of 48 inches to and including 52 inches, and with a wall thickness of 0.54 inch or more in grade X100.

Scope Clarification: On October 26, 2006, the Department determined that large diameter line pipe with an API grade X-80 having an outside diameter of 21 inches and wall thickness of 0.625 inches was excluded from the scope of the antidumping duty order on welded large diameter pipe from Japan. *See Final Results of Changed Circumstances Review: Certain Welded Large Diameter Line Pipe from Japan*, 71 FR 62584 (October 26, 2006).

The product currently is classified under U.S. Harmonized Tariff Schedule ("HTSUS") item numbers 7305.11.10.30, 7305.11.10.60, 7305.11.50.00, 7305.12.10.30, 7305.12.10.60, 7305.12.50.00, 7305.19.10.30, 7305.19.10.60, and 7305.19.50.00. Although the HTSUS item numbers are provided for convenience and customs purposes, the written description of the scope is dispositive.

Mexico

The product covered by this order is certain welded carbon and alloy line pipe, of circular cross section and with an outside diameter greater than 16 inches, but less than 64 inches, in diameter, whether or not stencilled. This product is normally produced according to American Petroleum Institute ("API") specifications, including Grades A25, A, B, and X grades ranging from X42 to X80, but can also be produced to other specifications. Specifically not included within the scope of this investigation is American Water Works Association ("AWWA") specification water and sewage pipe, and the following size/grade combinations of line pipe:

- Having an outside diameter greater than or equal to 18 inches and less than or equal to 22 inches, with a wall thickness measuring 0.750 inch or greater, regardless of grade.

- Having an outside diameter greater than or equal to 24 inches and less than 30 inches, with wall thickness measuring greater than 0.875 inches in grades A, B, and X42, with wall thickness measuring greater than 0.750 inches in grades X52 through X56, and with wall thickness measuring greater than 0.688 inches in grades X60 or greater.

- Having an outside diameter greater than or equal to 30 inches and less than 36 inches, with wall thickness measuring greater than 1.250 inches in grades A, B, and X42, with wall thickness measuring greater than 1.000 inches in grades X52 through X56, and with wall thickness measuring greater than 0.875 inches in grades X60 or greater.

- Having an outside diameter greater than or equal to 36 inches and less than 42 inches, with wall thickness measuring greater than 1.375 inches in grades A, B, and X42, with wall thickness measuring greater than 1.250 inches in grades X52 through X56, and with wall thickness measuring greater than 1.125 inches in grades X60 or greater.

- Having an outside diameter greater than or equal to 42 inches and less than 64 inches, with a wall thickness measuring greater than 1.500 inches in grades A, B, and X42, with wall thickness measuring greater than 1.375 inches in grades X52 through X56, and with wall thickness measuring greater than 1.250 inches in grades X60 or greater.

- Having an outside diameter equal to 48 inches, with a wall thickness measuring 1.0 inch or greater, in grades X-80 or greater.

The product currently is classified under U.S. Harmonized Tariff Schedule

("HTSUS") item numbers 7305.11.10.30, 7305.11.10.60, 7305.11.50.00, 7305.12.10.30, 7305.12.10.60, 7305.12.50.00, 7305.19.10.30, 7305.19.10.60, and 7305.19.50.00. Although the HTSUS item numbers are provided for convenience and customs purposes, the written description of the scope is dispositive.

Analysis of Comments Received

All issues raised in these cases are addressed in the Issues and Decision Memorandum for the Final Results of Expedited Sunset Reviews of the Antidumping Duty Orders on Certain Welded Large Diameter Line Pipe from Japan and Mexico, from Stephen Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated March 1, 2007 ("Decision Memo"), which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the orders were revoked. Parties can find a complete discussion of all issues raised in these sunset reviews and the corresponding recommendations in this public memo, which is on file in room B-099 of the main Commerce Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn/index.html>, under the heading "March 2007." The paper copy and electronic version of the Decision Memo are identical in content.

Final Results of Reviews

We determine that revocation of the antidumping duty orders on welded large diameter pipe from Japan and Mexico would likely lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

Manufacturers/Exporters/Producers	Weighted-Average Margin (Percent)
Japan.	
Nippon Steel Corporation	30.80
Kawasaki Steel Corporation	30.80
All Others	30.80
Mexico.	
PMT-Tubacero	49.86
All Others	49.86

concerning the return or destruction of proprietary information disclosed under APO in accordance with section 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: March 1, 2007.

David M. Spooner,

Assistant Secretary for Import Administration.
[FR Doc. E7-4164 Filed 3-7-07; 8:45 am]

BILLING CODE 3510-DS-S

This notice also serves as the only reminder to parties subject to administrative protective orders ("APO") of their responsibility

Trelease, Office of Surface Mining Reclamation and Enforcement, 1951 Constitution Ave., NW., Room 202—SIB, Washington, DC 20240, or electronically to jtrelease@osmre.gov. Please refer to OMB control number 1029–0114 in your correspondence.

FOR FURTHER INFORMATION CONTACT: To receive a copy of the information collection request contact John Trelease at (202) 208–2783, or electronically at jtrelease@osmre.gov. You may also review this collection by going to <http://www.reginfo.gov> (Information Collection Review, Currently Under Review, Agency is Department of the Interior, DOI–OSMRE).

SUPPLEMENTARY INFORMATION: The Office of Management and Budget (OMB) regulations at 5 CFR 1320, which implement provisions of the Paperwork Reduction Act of 1995 (Pub. L. 104–13), require that interested members of the public and affected agencies have an opportunity to comment on information collection and recordkeeping activities [see 5 CFR 1320.8(d)]. OSM has submitted a request to OMB to renew its approval of the collection of information contained in a series of technical evaluation customer surveys. OSM is requesting a 3-year term of approval for the information collection activity.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control number for this collection of information is 1029–0114.

As required under 5 CFR 1320.8(d), a **Federal Register** notice soliciting comments on this collection of information was published on November 5, 2010 (75 FR 68376). No comments were received. This notice provides the public with an additional 30 days in which to comment on the following information collection activity:

Title: Technical Evaluation Surveys.
OMB Control Number: 1029–0114.

Summary: The series of surveys are needed to ensure that technical assistance activities, technology transfer activities and technical forums are useful for those who participate or receive the assistance. Specifically, representatives from State and Tribal regulatory and reclamation authorities are the primary respondents, although representatives of industry, environmental or citizen groups, or the public, may be recipients of the assistance or may participate in these forums. These surveys will be the primary means through which OSM evaluates its performance in meeting the

performance goals outlined in its annual plans developed pursuant to the Government Performance and Results Act.

Bureau Form Number: None.

Frequency of Collection: Once.

Description of Respondents:

Individuals who request information or assistance, although generally States and Tribal employees.

Total Annual Responses: 500.

Total Annual Burden Hours: 42.

Send comments on the need for the collection of information for the performance of the functions of the agency; the accuracy of the agency's burden estimates; ways to enhance the quality, utility and clarity of the information collection; and ways to minimize the information collection burdens on respondents, such as use of automated means of collections of the information, to the addresses listed under **ADDRESSES**. Please refer to the appropriate OMB control number in all correspondence.

Before including your address, phone number, e-mail address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Dated: February 11, 2011.

John A. Trelease,

Acting Chief, Division of Regulatory Support.

[FR Doc. 2011–3595 Filed 2–17–11; 8:45 am]

BILLING CODE 4310–05–M

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–920 (Review) (Remand)]

Certain Welded Large Diameter Line Pipe From Mexico

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The U.S. International Trade Commission (“Commission”) hereby gives notice of its remand proceeding with respect to its negative determination in the five-year review of the antidumping duty order on certain welded large diameter line pipe from Mexico. For further information concerning the conduct of this proceeding and rules of general application, consult the Commission’s

Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subpart A (19 CFR part 207).

DATES: *Effective Date:* February 18, 2011.

FOR FURTHER INFORMATION CONTACT: Karl von Schriltz (202–205–3096), Office of General Counsel, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission’s TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record of Investigation No. 731–TA–920 (Review) may be viewed on the Commission’s electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—In October 2007, the Commission determined that revocation of the antidumping duty order covering certain welded large diameter line pipe from Mexico would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. On April 21, 2008, six months after completion of the Commission’s review, the Mexican producer Tuberias Procarsa, S.A. de C.V. (“Procarsa”) attempted to file with the Commission a revised foreign producers’ questionnaire response which sought to revise certain aspects of its originally reported capacity, production, and shipment data. On April 24, 2008, the Commission rejected the submission on the grounds that it was untimely filed.

On November 21, 2007, the domestic producer United States Steel Corporation (“U.S. Steel”) filed a request for review of the Commission’s determination by a binational panel under Article 1904 of the North American Free Trade Agreement. The parties completed briefing in the proceeding in 2008 and 2009. The Panel held a hearing in the proceeding on July 22, 2010.

On January 18, 2011, the Panel issued an opinion in the matter. In its opinion, the Panel affirmed the Commission’s reliance on the existence of differing conditions of competition for Mexico and Japan when deciding not to exercise its discretion to cumulate the subject imports from those countries. The Panel also held that U.S. Steel was barred

from raising in this proceeding “arguments regarding the asserted discrepancy between the questionnaire responses and the staff’s finding that the Mexican producers reported theoretical capacity,” finding that U.S. Steel failed to exhaust its administrative remedies before the Commission. Panel Opinion at 25.

Nonetheless, the Panel remanded the Commission’s determination so that the Commission could take into account Procarsa’s revised foreign producers’ questionnaire response and re-consider its cumulation and likely injury analysis for Mexico in light of the revised response. Specifically, the Panel indicated that the Commission should consider the revised data in light of its potential impact on the Commission’s analysis of the Mexican industry’s home market orientation, its capacity trends, and the presence of Mexican imports in the U.S. market. The Panel noted that the revised data did not affect the Commission’s finding concerning Procarsa’s product range during the period.

Participation in the proceeding.—Only those persons who were interested parties that participated in the review (*i.e.*, persons listed on the Commission Secretary’s service list) and also parties to the NAFTA panel proceeding may participate in the remand proceeding. Such persons need not make any additional filings with the Commission to participate in the remand proceeding, unless they are adding new individuals to the list of persons entitled to receive business proprietary information under administrative protective order. Business proprietary information (“BPI”) referred to during the remand proceeding will be governed, as appropriate, by the administrative protective order issued in the review.

Written Submissions.—The Commission is reopening the record in this proceeding for the sole purpose of accepting Procarsa’s revised foreign producers’ questionnaire response into the record. It will not otherwise accept the submission of new factual information for the record. The Commission will permit the parties to file comments concerning the new factual information submitted on the record during the remand proceeding. Those comments should be limited solely to the issue of whether and how the data contained in Procarsa’s revised foreign producer’s questionnaire will affect the Commission’s cumulation and likely injury findings for Mexico, including its findings relating to the Mexican industry’s home market orientation, its capacity trends, and the presence of Mexican imports in the U.S.

market. The parties may not use this opportunity to comment on any other issue, including any “asserted discrepancy between the questionnaire responses and the staff’s finding that the Mexican producers reported theoretical capacity.” Panel Opinion at 25.

The comments must be based solely on the information in the Commission’s record. The Commission will reject submissions containing additional factual information or arguments pertaining to issues other than those on which the Panel has remanded this matter. The deadline for filing comments is March 8, 2011. Comments shall be limited to no more than twenty (20) double-spaced and single-sided pages of textual material.

All written submissions must conform with the provisions of section 201.8 of the Commission’s rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission’s rules. The Commission’s rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission’s rules, as amended, 67 FR 68036 (November 8, 2002).

In accordance with sections 201.16(c) and 207.3 of the Commission’s rules, each document filed by a party to this proceeding must be served on all other such parties, and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

By order of the Commission.

Issued: February 15, 2011.

William R. Bishop,

Hearings and Meetings Coordinator.

[FR Doc. 2011-3766 Filed 2-17-11; 8:45 am]

BILLING CODE P

DEPARTMENT OF JUSTICE

Notice of Proposed Consent Decree Under the Clean Air Act

Notice is hereby given that on February 14, 2011, a proposed Consent Decree in *United States et al. v. Merced Power LLC*, Civil Action No. 1:11-cv-00241, was lodged with the United States District Court for the Eastern District of California.

The Consent Decree in this Clean Air Act enforcement action resolves allegations by the Environmental Protection Agency and the San Joaquin Valley Unified Air Pollution Control District (“District”), asserted in a complaint filed together with the Consent Decree, under Section 113(b) of

the Clean Air Act, 42 U.S.C. 7413(b), for alleged environmental violations at defendant’s biomass electric generating facilities in Merced, California. The violations include, among others, a failure to: Comply with numerous conditions contained in Federally enforceable permits issued for the facility, including those related to emissions of pollutants; install and operate required pollution control technology; undertake periodic equipment testing; and to submit required reports. The proposed Consent Decree would require defendant to install additional emissions monitoring equipment at their facility, pay a total of \$492,000 in civil penalties to the United States and the District, and comply with permit conditions or face stipulated penalties during approximately two years following court approval of the consent decree.

The Department of Justice will receive comments relating to the proposed Consent Decree for a period of thirty (30) days from the date of this publication. Comments should be addressed to the Assistant Attorney General, Environment and Natural Resources Division, and either e-mailed to pubcomment-ees.enrd@usdoj.gov or mailed to P.O. Box 7611, U.S. Department of Justice, Washington, DC 20044-7611, and should refer to the matter as *United States et al. v. Merced Power LLC*, DOJ Ref. No. 90-5-2-1-09903.

The proposed Consent Decree may be examined at the following Regional Office of the United States Environmental Protection Agency: Region 9, 75 Hawthorne Street, San Francisco, California 94105. The Consent Decree may also be examined at the Office of the United States Attorney, 501 I Street, Suite 10-100, Sacramento, California 95814.

During the public comment period, the proposed agreement may also be examined on the following Department of Justice Web site: http://www.usdoj.gov/enrd/Consent_Decrees.html. Copies of the proposed agreement may also be obtained by mail from the Consent Decree Library, P.O. Box 7611, U.S. Department of Justice, Washington, DC 20044-7611 or by faxing or e-mailing a request to Tonia Fleetwood (tonia.fleetwood@usdoj.gov), fax no. (202) 514-0097, phone confirmation number (202) 514-1547. In requesting from the Consent Decree Library a copy of the consent decree, please enclose a check payable to the U.S. Treasury in the amount of \$14.50 (25 cents per page