

Scope of the Review

Imports covered by the order are shipments of SSB. SSB means articles of stainless steel in straight lengths that have been either hot-rolled, forged, turned, cold-drawn, cold-rolled or otherwise cold-finished, or ground, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons, or other convex polygons. SSB includes cold-finished SSBs that are turned or ground in straight lengths, whether produced from hot-rolled bar or from straightened and cut rod or wire, and reinforcing bars that have indentations, ribs, grooves, or other deformations produced during the rolling process.

Except as specified above, the term does not include stainless steel semi-finished products, cut-to-length flat-rolled products (*i.e.*, cut-to-length rolled products which if less than 4.75 mm in thickness have a width measuring at least 10 times the thickness, or if 4.75 mm or more in thickness having a width which exceeds 150 mm and measures at least twice the thickness), wire (*i.e.*, cold-formed products in coils, of any uniform solid cross section along their whole length, which do not conform to the definition of flat-rolled products), and angles, shapes, and sections.

The SSB subject to these reviews is currently classifiable under subheadings 7222.11.00.05, 7222.11.00.50, 7222.19.00.05, 7222.19.00.50, 7222.20.00.05, 7222.20.00.45, 7222.20.00.75, and 7222.30.00.00 of the *Harmonized Tariff Schedule of the United States* ("HTSUS"). Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of the order is dispositive.

On May 23, 2005, the Department issued a final scope ruling that SSB manufactured in the United Arab Emirates out of stainless steel wire rod from India is not subject to the scope of this order. *See* Memorandum from Team to Barbara E. Tillman, "Antidumping Duty Orders on Stainless Steel Bar from India and Stainless Steel Wire Rod from India: Final Scope Ruling," dated May 23, 2005, which is on file in the Central Records Unit in room 1117 of the main Department building. *See also Notice of Scope Rulings*, 70 FR 55110 (September 20, 2005).

Final Results of Changed Circumstances Review

For the reasons stated in the preliminary results, and because the Department did not receive any

comments following the preliminary results of this review, the Department continues to find that India Steel is the successor-in-interest to Isibars for antidumping duty cash deposit purposes.

Instructions to U.S. Customs and Border Protection

The Department will instruct CBP to suspend liquidation of all shipments of the subject merchandise produced and exported by India Steel entered, or withdrawn from warehouse, for consumption on or after the publication date of this notice at 2.01 percent (*i.e.*, Isibars's cash deposit rate). This deposit rate shall remain in effect until publication of the final results of the next administrative review in which India Steel participates.

This notice also serves as a reminder to parties subject to administrative protective orders ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.306. Timely written notification of the return/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 sanctionable violation.

This notice in accordance with sections 751(b) and 777(i)(1) of the Act, and sections 351.216(e) and 351.221(c)(3)(i) of the Department's regulations.

Dated: October 30, 2008.

David M. Spooner,
Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

(A-570-935)

Certain Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination

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

EFFECTIVE DATE: November 6, 2008.

SUMMARY: The Department of Commerce ("Department") preliminarily determines that certain circular welded carbon quality steel welded line pipe ("welded line pipe") from the People's

Republic of China ("PRC") is being, or is likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733 of the Tariff Act of 1930, as amended ("the Act"). The estimated dumping margins are shown in the "Preliminary Determination" section of this notice.

FOR FURTHER INFORMATION CONTACT: Jeff Pedersen or Rebecca Pandolph, AD/CVD Operations, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC, 20230; telephone: (202) 482-2769 or 482-3627, respectively.

SUPPLEMENTARY INFORMATION:

Background

On April 3, 2008, the Department received a petition concerning imports of welded line pipe from the PRC and the Republic of Korea ("Korea") filed in proper form by United States Steel Corporation ("U.S. Steel"), Maverick Tube Corporation ("Maverick"), Tex-Tube Company ("Tex-Tube"), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, and AFL-CIO-CLC ("United Steelworkers") (collectively, "Petitioners"). *See* Imposition of Antidumping and Countervailing Duties: Certain Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China and the Republic of Korea, dated April 3, 2008 (in four volumes) ("Petition"). On April 23, 2008, the Department initiated antidumping duty investigations of welded line pipe from the above-mentioned countries. *See Certain Circular Welded Carbon Quality Steel Line Pipe From the Republic of Korea and the People's Republic of China: Initiation of Antidumping Duty Investigations*, 73 FR 23188 (April 29, 2008) ("Initiation Notice").

Also, on April 23, 2008, the Department issued a quantity and value ("Q&V") questionnaire to each of the 65 companies identified by the Petitioners as potential exporters or producers of welded line pipe from the PRC. *See* supplement to the petition at Exhibit II-Supp I, dated April 14, 2008. The Department received timely responses to its Q&V questionnaire from the following nine companies: Benxi Northern Steel Pipes Co., Ltd. ("Benxi"); Huludao Steel Pipe Industrial Co., Ltd. ("Huludao Pipe"); Pangang Group Behai Pipe Corporation ("Pangang"); Shanghai Metals & Minerals Import & Export Corp. d/b/a Shanghai Minmetals Materials & Products Corp. ("Shanghai

Metals"); Tianjin Xingyuda Import and Export Company ("Tianjin"); Nanjing HuaDong Steel Pipes Manufacturing Co., Ltd. ("Nanjing"); Shashi Steel Pipe Works, SINOPEC ("Shashi"); Xuzhou Guanghuan Steel Tube Co., Ltd. ("Xuzhou"); and Jiangsu Yulong Steel Pipe Co., Ltd. ("Jiangsu Yulong"). On May 20, 2008, the Department rejected the Q&V responses submitted by Nanjing, Shashi, Xuzhou, and Jiangsu Yulong because they were improperly filed. The Department requested that Nanjing, Shashi, Xuzhou, and Jiangsu Yulong correct certain filing deficiencies. *See* Letters to Nanjing, Shashi, Xuzhou, and Jiangsu Yulong, dated May 20, 2008. The Department received information indicating that Nanjing, Shashi, and Xuzhou had received the Department's May 20, 2008, letter, but Nanjing, Shashi, and Xuzhou did not refile their submissions. The Department did not have any information to whether Jiangsu Yulong had received the May 20, 2008, letter and on July 15, 2008, the Department sent a letter to Jiangsu Yulong requesting that it explain why it had failed to respond to the Department's May 20, 2008, letter, in which the Department requested that the company properly refile its Q&V response. *See* Letter to Ms. Tang Wei-jun regarding, Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China, dated July 15, 2008. On July 28, 2008, Jiangsu Yulong resubmitted its Q&V response and explained that it had not responded to the Department's May 20, 2008, letter concerning its improperly filed Q&V response because it had not received the letter. *See* Letter to the Department from Jiangsu Yulong, dated July 28, 2008.

On May 13, 2008, the Department received product matching comments from one of the Petitioners, Maverick, and scope comments from Wheatland Tube Company ("Wheatland"), a domestic producer. *See* the "Scope Comments" section of this notice for further details. On May 27, 2008, the Department received comments from Maverick on the record of this investigation rebutting model matching comments submitted in the Korean investigation of welded line pipe.

On May 16, 2008, the International Trade Commission ("ITC") preliminarily determined that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of welded line pipe from the PRC and Korea. *See Certain Circular Welded Carbon Quality Steel Line Pipe from China and Korea, Investigation Nos. 701-TA-455 and*

731-TA-1149-1150 (Preliminary), 73 FR 31712 (June 3, 2008).

On May 27, 2008, the Department received comments from Maverick regarding respondent selection. No other party submitted comments regarding respondent selection.

The Department received separate rate applications from Huludao Pipe on June 23, 2008, and from Benxi, Pangang, Shanghai Metals, Tianjin, and Jiangsu Yulong on June 30, 2008.

On June 3, 2008, and July 9, 2008, the Department selected Huludao Pipe and Shanghai Metals, respectively, as mandatory respondents. *See* Memoranda to File: "Respondent Selection in the Antidumping Duty Investigation of Circular Welded Carbon Quality Steel Line Pipe (welded line pipe) from the People's Republic of China (PRC)," from Rebecca Pandolph through Howard Smith and Abdelali Elouradia, dated June 3, 2008, and "Amendment to Respondent Selection in the Antidumping Duty Investigation of Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China," from Jeffrey Pedersen and Rebecca Pandolph through Howard Smith and Abdelali Elouradia, dated July 9, 2008.

The Department issued its antidumping questionnaire to Huludao Pipe and Shanghai Metals on June 4, 2008, and July 9, 2008, respectively. The Department issued supplemental questionnaires to, and received responses from, the mandatory and separate rate respondents from July 2008 through October 2008. The Petitioners submitted comments to the Department regarding the questionnaire and supplemental questionnaire responses of the mandatory and separate rate respondents from July 2008 through September 2008.

On July 29, 2008, the Department released to interested parties a memorandum which listed potential surrogate countries and invited interested parties to comment on surrogate country and factor value selection. *See* Letter to All Interested Parties from Howard Smith, Program Manager, Office 4, concerning "Antidumping Duty Investigation of Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China," dated July 29, 2008.

On August 8, 2008, Maverick and U.S. Steel, two of the petitioning firms, submitted comments on surrogate country selection in which they both recommended selecting India as the surrogate country in this investigation. *See* Letter from Maverick, regarding Certain Circular Welded Carbon Quality Steel Line Pipe from the People's

Republic of China: Comments on the Proper Surrogate Country, dated August 8, 2008, and Letter from U.S. Steel, regarding Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Surrogate Country Selection, dated August 8, 2008.

On August 12, 2008, Maverick and U.S. Steel requested postponement of the preliminary determination. On August 21, 2008, the Department extended this preliminary determination by fifty days. *See Certain Circular Welded Carbon Quality Steel Line Pipe from the Republic of Korea and the People's Republic of China: Postponement of Preliminary Determination of Antidumping Duty Investigation*, 73 FR 50941 (August 29, 2008).

On October 3, 2008, Shanghai Metals requested that the Department extend the final determination in this case. *See* the "Postponement of Final Determination and Extension of Provisional Measures" section of this notice below.

On September 2 and September 9, 2008, the Petitioners and Huludao Pipe submitted comments on, and calculations for, the surrogate values. On September 15, 2008, Petitioners and Huludao Pipe submitted rebuttal comments regarding surrogate values. The submitted surrogate value data are from India.

On September 30, 2008, the Petitioners and Huludao Pipe submitted comments to be considered in the Department's preliminary determination.

Period of Investigation

The period of investigation ("POI") is October 1, 2007, through March 31, 2008. This period comprises the two most recently completed fiscal quarters as of the month preceding the month in which the petition was filed (*i.e.*, April 2008). *See* 19 CFR 351.204(b)(1).

Scope of the Investigation

The merchandise covered by this investigation is circular welded carbon quality steel pipe of a kind used for oil and gas pipelines (welded line pipe), not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, length, surface finish, end finish or stenciling.

The term "carbon quality steel" includes both carbon steel and carbon steel mixed with small amounts of alloying elements that may exceed the individual weight limits for nonalloy steels imposed in the Harmonized Tariff Schedule of the United States ("HTSUS"). Specifically, the term

“carbon quality” includes products in which (1) iron predominates by weight over each of the other contained elements, (2) the carbon content is 2 percent or less by weight and (3) none of the elements listed below exceeds the quantity by weight respectively indicated:

- (i) 2.00 percent of manganese,
- (ii) 2.25 percent of silicon,
- (iii) 1.00 percent of copper,
- (iv) 0.50 percent of aluminum,
- (v) 1.25 percent of chromium,
- (vi) 0.30 percent of cobalt,
- (vii) 0.40 percent of lead,
- (viii) 1.25 percent of nickel,
- (ix) 0.30 percent of tungsten,
- (x) 0.012 percent of boron,
- (xi) 0.50 percent of molybdenum,
- (xii) 0.15 percent of niobium,
- (xiii) 0.41 percent of titanium,
- (xiv) 0.15 percent of vanadium, or
- (xv) 0.15 percent of zirconium.

Welded line pipe is normally produced to specifications published by the American Petroleum Institute (“API”) (or comparable foreign specifications) including API A–25, 5LA, 5LB, and X grades from 42 and above, and/or any other proprietary grades or non-graded material. Nevertheless, all pipe meeting the physical description set forth above that is of a kind used in oil and gas pipelines, including all multiple-stenciled pipe with an API welded line pipe stencil is covered by the scope of this investigation.

Excluded from this scope are pipes of a kind used for oil and gas pipelines that are multiple-stenciled to a standard and/or structural specification and have one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50 mm) in outside diameter; has a galvanized and/or painted surface finish; or has a threaded and/or coupled end finish. (The term “painted” does not include coatings to inhibit rust in transit, such as varnish, but includes coatings such as polyester.)

The welded line pipe products that are the subject of these investigations are currently classifiable in the HTSUS under subheadings 7306.19.10.10, 7306.19.10.50, 7306.19.51.10, and 7306.19.51.50. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

Scope Comments

In the *Initiation Notice*, the Department stated that the scope of the welded line pipe investigations may cover certain merchandise potentially subject to the on-going antidumping

duty and countervailing duty investigations of circular welded pipe (“CWP”) from the PRC. The Department went on to note in the *Initiation Notice* that once certain scope issues in the CWP investigations have been resolved, it intended to reexamine the welded line pipe scope language to ensure that there was no overlap between the scope of the CWP and welded line pipe investigations. See *Initiation Notice*, 73 FR 23188, 23189. Moreover, in accordance with the preamble to the Department’s regulations, the Department stated in the *Initiation Notice* that it would set aside a period of time for parties to raise issues regarding product coverage, and encouraged all parties to submit comments within 20 calendar days of publication of that notice. See *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323, (May 19, 1997) and *Initiation Notice*. The Department received scope comments from Wheatland, a domestic producer, requesting that the Department modify the welded line pipe scope to take into account the scope definition ultimately set out in the CWP investigations. See Letter from Wheatland, regarding Comments on Scope of Investigations, dated May 13, 2008.

Given that the scope issue in the CWP investigation has been resolved, we have modified the scope of the welded line pipe investigations to eliminate the overlap that existed between the CWP and welded line pipe investigations. Specifically, we added the following language to the scope description:¹

Excluded from this scope are pipes of a kind used for oil and gas pipelines that are multiple-stenciled to a standard and/or structural specification and have one or more of the following characteristics:² is 32 feet in length or less; is less than 2.0 inches (50 mm) in outside diameter; has a galvanized and/or painted surface finish; or has a threaded and/or coupled end finish. (The term “painted” does not include coatings to inhibit rust in

transit, such as varnish, but includes coatings such as polyester.)

Non-Market Economy Treatment

The Department considers the PRC to be a non-market economy (“NME”) country. In accordance with section 771(18)(C)(i) of the Act, any determination that a country is an NME country shall remain in effect until revoked by the administering authority. See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People’s Republic of China: Preliminary Results of 2001–2002 Administrative Review and Partial Rescission of Review*, 68 FR 7500 (February 14, 2003), unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People’s Republic of China: Final Results of 2001–2002 Administrative Review and Partial Rescission of Review*, 68 FR 70488 (December 18, 2003). The Department has not revoked the PRC’s status as an NME country. Therefore, in this preliminary determination, we continued to treat the PRC as an NME country and apply our current NME methodology.

Selection of a Surrogate Country

In an investigation involving imports from NME countries, section 773(c)(1) of the Act directs the Department to generally base normal value (“NV”) on the value of the NME producer’s factors of production. In accordance with section 773(c)(4) of the Act, in valuing the factors of production, the Department shall utilize, to the extent possible, the prices or costs of factors of production in one or more market economy countries that are at a level of economic development comparable to that of the NME country and are significant producers of merchandise comparable to the subject merchandise.

The Department has determined that Colombia, India, Indonesia, the Philippines, and Thailand are countries that are at a level of economic development comparable to that of the PRC. See Memorandum regarding “Antidumping Duty Investigation of Circular Welded Carbon Quality Steel Line Pipe from the People’s Republic of China: Request for a List of Surrogate Countries,” dated May 27, 2008 (“Policy Memorandum”). From among these economically comparable countries, the Department has preliminarily selected India as the surrogate country for this investigation because it determined that: (1) India is a significant producer of merchandise comparable to the subject merchandise and (2) reliable Indian data for valuing the factors of production are

¹ See Memorandum to Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, from Abdelali Elouaradia, Director, Office 4 Operations, regarding “Antidumping and Countervailing Duty Investigations of Circular Welded Carbon Quality Steel Line Pipe from the People’s Republic of China: Scope Modification,” dated August 29, 2008 (“Scope Modification Memorandum”).

² This sentence differs from the language contained in the Scope Modification Memorandum. The language in the Scope Modification Memorandum is as follows: “Excluded from this scope are pipes that are multiple-stenciled to a standard and/or structural specification and to any other specification, such as the API-5L specification, when it also has one or more of the following characteristics.”

readily available. See Memorandum to Abdelali Elouaradia, Office Director, through Howard Smith, Program Manager, from Jeffrey Pedersen and Rebecca Pandolph, International Trade Compliance Specialists, concerning "Antidumping Duty Investigation of Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Selection of a Surrogate Country," dated September 22, 2008.

Separate Rates

In the *Initiation Notice*, the Department notified parties of the recent application process by which exporters and producers may obtain separate-rate status in NME investigations. See *Initiation Notice*, 73 FR 23188, 23193. The process requires exporters and producers to submit a separate-rate status application. See also *Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries*, (April 5, 2005), available at <http://ia.ita.doc.gov> (*Policy Bulletin 05.1*).³ However, the standard for eligibility for a separate rate, which is whether a firm can demonstrate an absence of both *de jure* and *de facto* governmental control over its export activities, has not changed.

In proceedings involving NME countries, the Department has a rebuttable presumption that all companies within the country are subject to government control and thus should be assessed a single antidumping duty rate. It is the Department's policy to assign all exporters of merchandise subject to investigation in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. Exporters can demonstrate this independence through the absence of both *de jure* and *de facto* governmental control over export

activities. The Department analyzes each entity exporting the subject merchandise under a test arising from the *Notice of Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) ("Sparklers"), as further developed in *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) ("Silicon Carbide"). However, if the Department determines that a company is wholly foreign-owned or located in a market economy, then a separate rate analysis is not necessary to determine whether it is independent from government control.

A. Separate Rate Applicants

Joint Ventures Between Chinese and Foreign Companies or Wholly Chinese-Owned Companies

All of the separate rate applicants in this investigation, including the mandatory respondents Huludao Pipe and Shanghai Metals, stated that they are either joint ventures between Chinese and foreign companies or are wholly Chinese-owned companies (collectively, "PRC SR Applicants"). Therefore, the Department must analyze whether these respondents can demonstrate the absence of both *de jure* and *de facto* governmental control over export activities.

a. Absence of De Jure Control

The Department considers the following *de jure* criteria in determining whether an individual company may be granted a separate rate: (1) an absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) other formal measures by the government decentralizing control of companies. See *Sparklers*, 56 FR at 20589 at Comment 1.

The evidence provided by Benxi, Huludao Pipe, Pangang, Shanghai Metals, Tianjin, and Jiangsu Yulong supports a preliminary finding of *de jure* absence of governmental control based on the following: (1) an absence of restrictive stipulations associated with the individual exporters' business and export licenses; (2) there are applicable legislative enactments decentralizing control of the companies; and (3) and there are formal measures by the government decentralizing control of companies. See e.g. Huludao's June 23, 2008 Separate Rate Application ("Huludao SRA") and Benxi's June 23,

2008 Separate Rate Application ("Benxi SRA").

b. Absence of De Facto Control

Typically the Department considers four factors in evaluating whether each respondent is subject to *de facto* governmental control of its export functions: (1) whether the export prices are set by or are subject to the approval of a governmental agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses. See *Silicon Carbide*, 59 FR at 22586–87; see also *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From the People's Republic of China*, 60 FR 22544, 22545 (May 8, 1995). The Department has determined that an analysis of *de facto* control is critical in determining whether respondents are, in fact, subject to a degree of governmental control which would preclude the Department from assigning separate rates.

The Petitioners argue that Shanghai Metals, Benxi, and Pangang are directly or indirectly controlled by the PRC government and should, therefore, not be granted separate rates. For example, the Petitioners maintain that Shanghai Metals was a state-owned enterprise during the POI and that two of its employees were former employees of the PRC government. See Letter from U.S. Steel regarding "Certain Circular Welded Carbon Quality Line Pipe From the People's Republic of China," dated August 15, 2008. Accordingly, the Petitioners argue that these three entities are ineligible for a separate rate. See Letters from Maverick and U.S. Steel, dated July 15, 2008, regarding Shanghai Metal's, Benxi's, and Pangang's separate rate applications. However, the Department has previously granted separate rate status to both wholly state-owned producers and producers whose stock was partially owned by a government state assets management company when evidence of actual government control was not present. See *Lightweight Thermal Paper From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 57329 (October 2, 2008) and the accompanying Issues and Decisions Memorandum at Comment 7. Absent evidence of *de facto* control over export

³ *Policy Bulletin 05.1* states: "while continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applied both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of 'combination rates' because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation." See *Policy Bulletin 05.1* at 6.

activities, government ownership alone does not warrant denying a company a separate rate.⁴ The Petitioners have not provided any evidence of government participation in the export decisions of the directors and or managers of Shanghai Metals, Benxi, or Pangang.

We preliminarily determine that the evidence placed on the record of this investigation by all of the PRC SR Applicants demonstrates an absence of *de facto* government control of exports of the merchandise under investigation, in accordance with the criteria identified in *Sparklers and Silicon Carbide*. Shanghai Metals, Benxi, and Pangang all certified that their export prices are not set by, subject to the approval of, or in any way controlled by a government entity at any level and that they have independent authority to negotiate and sign export contracts, providing price negotiation documents for their first U.S. sale. *See, e.g.,* Shanghai Metals' June 30, 2008, Separate Rate Application ("Shanghai Metals SRA"), Benxi SRA, dated June 30, 2008, and Pangang's July 1, 2008, Separate Rate Application ("Pangang SRA"). Shanghai Metals also reported that according to its articles of association, the general assembly of employee representatives has the right to select the general manager and to decide how profits will be distributed. *See* Shanghai Metals SRA, dated June 30, 2008, at 14–16. Benxi reported that according to its articles of association, its board of directors has the right to appoint the general manager and to decide how profits will be distributed. *See* Benxi SRA, dated June 30, 2008, at 13–15. Pangang submitted a board resolution and an internal notice of a new appointment which demonstrates its independent selection of

management. *See* Pangang SRA, dated July 1, 2008, at Exhibit 10. Moreover, Shanghai Metals reported that neither of the two employees named by the Petitioners worked for the PRC government and it provided the employment history for the two employees. *See* Letter from Shanghai Metals regarding "Circular Welded Carbon Quality Line Pipe from China—Response to Petitioners' Allegations," dated August 25, 2008. Additionally, the other PRC SR applicants all submitted evidence that supports a preliminary finding of *de facto* absence of governmental control. *See, e.g.,* Huludao Pipe SRA, dated June 23, 2008, Jiangsu Yulong's June 30, 2008, Separate Rate Application and Tianjin's June 30, 2008 Separate Rate Application. Thus, we preliminarily determine that there is an absence of both *de jure* and *de facto* government control with respect to each of the PRC SR Applicants.

Therefore, the Department has preliminarily granted separate rate status to the following companies: Benxi, Huludao Pipe, Pangang, Shanghai Metals, Tianjin, and Jiangsu Yulong. The Department has calculated company-specific dumping margins for the two mandatory respondents, Huludao Pipe and Shanghai Metals, and assigned the other companies that have been granted a separate rate a dumping margin equal to a simple average of the dumping margins calculated for the two mandatory respondents.

B. Companies Not Receiving a Separate Rate

The Department has determined that all parties applying for a separate rate in this segment of the proceeding have demonstrated an absence of government control both in law and in fact (see discussion above), and is, therefore, granting separate rate status to all applicants.

The PRC-Wide Entity

Although PRC exporters of subject merchandise to the United States were given an opportunity to provide Q&V information to the Department, not all exporters responded to the Department's request for Q&V information.⁵ Based upon our knowledge of the volume of imports of subject merchandise from the PRC, we have concluded that the companies that responded to the Q&V questionnaire do not account for all U.S. imports of subject merchandise from the PRC made during the POI. We have treated the non-responsive PRC

producers/exporters as part of the PRC-wide entity because they did not qualify for a separate rate.

Section 776(a)(2) of the Act provides that the Department shall, subject to subsection 782(d) of the Act, use facts otherwise available in reaching the applicable determination if an interested party: (A) withholds information that has been requested by the Department; (B) fails to provide such information in a timely manner or in the form or manner requested, subject to subsections 782(c)(1) and (e) of the Act; (C) significantly impedes a proceeding under the antidumping statute; or (D) provides such information but the information cannot be verified.

As noted above, the PRC-wide entity withheld information requested by the Department. As a result, pursuant to section 776(a)(2)(A) of the Act, we find it appropriate to base the PRC-wide dumping margin on facts available. *See Notice of Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen Fish Fillets From the Socialist Republic of Vietnam*, 68 FR 4986 (January 31, 2003), unchanged in *Notice of Final Antidumping Duty Determination of Sales at Less Than Fair Value and Affirmative Critical Circumstances: Certain Frozen Fish Fillets from the Socialist Republic of Vietnam*, 68 FR 37116 (June 23, 2003).

Section 776(b) of the Act provides that, in selecting from among the facts otherwise available, the Department may employ an adverse inference if an interested party fails to cooperate by not acting to the best of its ability to comply with requests for information. *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products From the Russian Federation*, 65 FR 5510, 5518 (February 4, 2000); *see also Statement of Administrative Action*, accompanying the Uruguay Round Agreements Act, H.R. Rep. No. 103–316, Vol. I at 843 (1994) ("SAA"), reprinted in 1994 U.S.C.A.N. 4040 at 870. Because the PRC-wide entity did not respond to the Department's request for information, the Department has concluded that the PRC-wide entity has failed to cooperate to the best of its ability. Therefore, the Department preliminarily finds that, in selecting from among the facts available, an adverse inference is appropriate.

Section 776(b) of the Act authorizes the Department to use, as adverse facts available ("AFA"): (1) information derived from the petition; (2) the final determination from the LTFV

⁴ *See Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Structural Steel Beams from the People's Republic of China*, 66 FR 67197 (December 28, 2001) (unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Structural Steel Beams from the People's Republic of China*, 67 FR 35479 (May 20, 2002)), stating "The petitioners in this case argue that, because Maanshan is 63 percent owned by a holding company which is, in turn, wholly owned by the Anhui provincial government, and because certain managers of the holding company also serve on the board of directors of Maanshan, the respondent is ineligible for a separate rate due to potential government control. However, the petitioners have not submitted any specific evidence indicating that the conditions for *de facto* control exist. As stated in the *Silicon Carbide*, 59 FR at 22587, ownership of the company by a state-owned enterprise does not require the application of a single rate. Therefore, based on the information provided, we preliminarily determine that there is an absence of *de facto* governmental control of Maanshan's export functions. Consequently, we preliminarily determine that the respondent has met the criteria for the application of a separate rate."

⁵ The Department received only 9 timely responses to the requests for Q&V information that it sent to 65 potential exporters identified in the petition.

investigation; (3) a previous administrative review; or (4) any other information placed on the record. In selecting a rate for AFA, the Department selects one that is sufficiently adverse “as to effectuate the purpose of the facts available rule to induce respondents to provide the Department with complete and accurate information in a timely manner.” See *Notice of Final Determination of Sales at Less Than Fair Value: Static Random Access Memory Semiconductors From Taiwan*, 63 FR 8909 (February 23, 1998). It is the Department’s practice to select, as AFA, the higher of: (a) the highest margin alleged in the petition, or (b) the highest calculated rate for any respondent in the investigation. See *Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon Quality Steel Products From the People’s Republic of China*, 65 FR 34660 (May 31, 2000) and accompanying Issues and Decisions Memorandum at Facts Available. Here, we assigned the PRC-wide entity the dumping margin calculated for Shanghai Metals, which exceeds the highest margin alleged in the petition and is the highest rate calculated in this investigation. Pursuant to section 776(c) of the Act, we do not need to corroborate this rate because it is based on information obtained during the course of this investigation rather than secondary information. See also SAA at 870. The PRC-wide dumping margin applies to all entries of the merchandise under investigation except for entries of subject merchandise from Benxi, Huludao Pipe, Pangang, Shanghai Metals, Tianjin, and Jiangsu Yulong.

Fair Value Comparisons

To determine whether Huludao Pipe or Shanghai Metals sold welded line pipe to the United States at LTFV, we compared the weighted-average export price (“EP”) of the welded line pipe to the NV of welded line pipe, as described in the “U.S. Price” and “Normal Value” sections of this notice.

U.S. Price

In accordance with section 772(a) of the Act, for both Huludao Pipe and Shanghai Metals, we based the U.S. price of sales on EP because the first sale to unaffiliated purchasers was made prior to importation and the use of constructed export price was not otherwise warranted. In accordance with section 772(c) of the Act, we calculated EP for Huludao Pipe by deducting the following expenses from the starting price (gross unit price) charged to the first unaffiliated customer in the United States: foreign

movement expenses, international freight, foreign warehousing, and foreign brokerage and handling expenses. For Shanghai Metals, we calculated EP by deducting foreign movement expenses and foreign brokerage and handling expenses from the starting price charged to the first unaffiliated customer in the United States.

We based these movement expenses on surrogate values where the service was purchased from a PRC company. For details regarding our EP calculation, see Analysis Memoranda for Huludao Pipe and Shanghai Metals, dated October 30, 2008.

Normal Value

In accordance with section 773(c) of the Act, we constructed NV from the factors of production employed by the respondents to manufacture subject merchandise during the POI. Specifically, we calculated NV by adding together the value of the factors of production, general expenses, profit, and packing costs. We valued the factors of production using prices and financial statements from the surrogate country, India. In selecting surrogate values, we followed, to the extent practicable, the Department’s practice of choosing values which are non-export average values, contemporaneous with, or closest in time to, the POI, product-specific, and tax-exclusive. See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen and Canned Warmwater Shrimp From the Socialist Republic of Vietnam*, 69 FR 42672, 42682 (July 16, 2004), unchanged in *Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp from the Socialist Republic of Vietnam*, 69 FR 71005 (December 8, 2004). We also considered the quality of the source of surrogate information in selecting surrogate values.

We valued material inputs and packing by multiplying the amount of the factor consumed in producing subject merchandise by the average unit value of the factor. We derived the average unit value of the factor from Indian import statistics. In addition, we added freight costs to the surrogate costs that we calculated for material inputs. We calculated freight costs by multiplying surrogate freight rates by the shorter of the reported distance from the domestic supplier to the factory that produced the subject merchandise or the distance from the nearest seaport to the factory that produced the subject

merchandise, as appropriate. This adjustment is in accordance with the Court of Appeals for the Federal Circuit’s decision in *Sigma Corp. v. United States*, 117 F. 3d 1401, 1407–08 (Fed. Cir. 1997). Where we could only obtain surrogate values that were not contemporaneous with the POI, we inflated (or deflated) the surrogate values using the Indian Wholesale Price Index (“WPI”) as published in the International Financial Statistics of the International Monetary Fund.

Further, in calculating surrogate values from Indian imports, we disregarded imports from Indonesia, South Korea, and Thailand because in other proceedings the Department found that these countries maintain broadly available, non-industry-specific export subsidies. Therefore, it is reasonable to infer that all exports to all markets from these countries may be subsidized. See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Color Television Receivers From the People’s Republic of China*, 69 FR 20594 (April 16, 2004) and accompanying Issues and Decision Memorandum at Comment 7.⁶ Thus, we have not used prices from these countries in calculating the Indian import-based surrogate values.

We valued raw materials, scrap, and packing materials using Indian import statistics. See the memoranda to the File regarding “Investigation of Circular Welded Carbon Quality Steel Line Pipe from the People’s Republic of China: Surrogate Values Memorandum” for Huludao Pipe and Shanghai Metals, dated concurrently with this notice (“Surrogate Values Memorandum”). Although the Petitioners requested that the Department value the steel input using data from the India Joint Plant Committee (“JPC”),⁷ the Department has not used these data. The footnotes to the JPC price sheets that were provided by the petitioners state that “[a]ll prices are inclusive of Excise Duty & Sales/Vat Tax.”⁸ As noted above, the Department prefers to value factors of production using tax-exclusive prices. While Petitioners have provided tax rates used by the Department in other antidumping cases to adjust JPC prices for wire rod,

⁶ In addition, we note that legislative history explains that the Department is not required to conduct a formal investigation to ensure that such prices are not subsidized. See H.R. Rep. 100-576 at 590 (1988). As such, it is the Department’s practice to base its decision on information that is available to it at the time it makes its determination.

⁷ The JPC is a joint industry/government board that monitors Indian steel prices.

⁸ See the submission from U.S. Steel and Maverick regarding surrogate values, dated September 2, 2008, at Exhibit 1.

they have not provided information demonstrating that these rates apply to the steel products for which they submitted JPC prices. Moreover, the JPC data are not as detailed as the World Trade Atlas ("WTA") data. The WTA data include steel prices for several width ranges that cover all of the widths of steel used by both respondents.⁹ On the other hand, there is no information in the JPC data regarding steel width. Thus, it is not clear whether the JPC prices cover all of the widths of steel used by the respondents. Also, the WTA data include steel prices for various thickness ranges that cover all of the steel thicknesses used by the respondents. JPC data, however, include prices for only a limited number of thicknesses of steel which do not include all of thicknesses of steel used by the respondents.¹⁰ Furthermore, the WTA data include separate prices for different types and forms of steel (e.g., stainless, clad, pickled, in coils, not in coils), whereas it is not clear whether the hot-rolled steel coil and steel plate categories listed in JPC data exclude the types and forms of steel not used by the respondents. The additional details in the WTA data allow the Department to select surrogate values more specific to the steel input used by the respondents. Therefore, we valued the steel input using WTA data. For further detail, see Surrogate Values Memorandum.

We valued electricity using price data for small, medium, and large industries, as published by the Central Electricity Authority of the Government of India in its publication titled *Electricity Tariff & Duty and Average Rates of Electricity Supply in India*, dated July 2006. These electricity rates represent actual country-wide, publicly-available information on tax-exclusive electricity rates charged to industries in India. Since the rates are not contemporaneous with the POI, we inflated the values using the WPI. See Surrogate Values Memorandum at Attachment IV.

We valued water using data from the Maharashtra Industrial Development Corporation (www.midcindia.org) because it includes a wide range of industrial water tariffs. This source provides 386 industrial water rates within the Maharashtra province from June 2003, 193 for the "inside industrial

areas" usage category, and 193 for the "outside industrial areas" usage category. We averaged the 386 industrial water rates and because this averaged rate was not contemporaneous with the POI, we inflated the averaged rate using the WPI. See Surrogate Values Memorandum.

Consistent with 19 CFR 351.408(c)(3), we valued direct, indirect, and packing labor, using the most recently calculated regression-based wage rate, which relies on 2005 data. This wage rate can be found on the Department's website on Import Administration's home page. See Expected Wages of Selected NME Countries (revised May 2008) (available at <http://ia.ita.doc.gov/wages/index.html>). The source of these wage rate data is the International Labour Organization, Geneva, Labour Statistics Database Chapter 5B: Wages in Manufacturing. Since this regression-based wage rate does not separate the labor rates into different skill levels or types of labor, we have applied the same wage rate to all skill levels and types of labor reported by Huludao and Shanghai Metals. See Surrogate Values Memorandum.

We valued truck freight expenses using a per-unit average rate calculated from data on the following web site: <http://www.infobanc.com/logistics/logtruck.htm>. The logistics section of this website contains inland freight truck rates between many large Indian cities. Since this value is not contemporaneous with the POI, we deflated the rate using the WPI. See Surrogate Values Memorandum at Attachment VI.

We valued brokerage and handling using a simple average of the brokerage and handling costs that were reported in public submissions that were filed in three antidumping duty cases. Specifically, we averaged the public brokerage and handling expenses reported by: (1) Agro Dutch Industries Ltd. in the antidumping duty administrative review of certain preserved mushrooms from India, (2) Kejriwal Paper Ltd. in the less than fair value investigation of certain lined paper products from India, and (3) Essar Steel in the antidumping duty administrative review of hot-rolled carbon steel flat products from India. See *Certain Preserved Mushrooms From India: Final Results of Antidumping Duty Administrative Review*, 71 FR 10646 (March 2, 2006); see also, *Notice of Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Affirmative Preliminary Determination of Critical Circumstances in Part: Certain Lined Paper Products From India*, 71 FR 19706

(April 17, 2006), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value, and Negative Determination of Critical Circumstances: Certain Lined Paper Products from India*, 71 FR 45012 (August 8, 2006), and *Certain Hot-Rolled Carbon Steel Flat Products From India: Preliminary Results of Antidumping Duty Administrative Review*, 71 FR 2018, 2021 (January 12, 2006) (unchanged in *Certain Hot-Rolled Carbon Steel Flat Products From India: Final Results of Antidumping Administrative Review*, 71 FR 40694 (July 18, 2006)). We inflated the brokerage and handling rate using the appropriate WPI inflator. See Surrogate Values Memorandum.

We valued warehousing using rates obtained from the Board of Jawaharlal Nehru Port Trust's website (<http://www.jnport.gov.in/CMSPage.aspx?PageID=27>), which is a source used in the antidumping duty investigation of pneumatic off-the-road tires from the PRC. See *Certain New Pneumatic Off-the-Road Tires From the People's Republic of China: Notice of Amended Final Affirmative Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 73 FR 51624 (Sept. 4, 2008) and accompanying issues and decision memorandum at Comment 26. See also Surrogate Values Memorandum.

We valued international freight using rate quotes from Maersk Sealand ("Maersk"), a market-economy shipper. See Surrogate Values Memorandum.

We valued factory overhead, selling, general, and administrative ("SG&A") expenses, and profit, using the financial statements of Jindal Saw Ltd. ("Jindal SAW") and Bihar Tubes Limited ("Bihar"). See Surrogate Values Memorandum. Huludao Pipe submitted the 2006–2007 financial statements of Zenith Birla (India) Limited ("Zenith") and Bihar while the Petitioners submitted the 2006–2007 financial statements of Jindal SAW and the 2007–2008 financial statements TATA Steel Limited ("TATA").

The Department did not rely upon the financial statements for Zenith because the 2006–2007 statements identify receipt of subsidies under the Duty Entitlement Pass Book scheme, which has been found by the Department to provide a countervailable subsidy. See, e.g., *Certain Iron-Metal Castings From India: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review*, 64 FR 61592 (November 12, 1999) (unchanged in final results).

In *Crawfish from the PRC*, the Department discussed its practice with

⁹ See Shanghai Metal's September 8, 2008, response at 12 and 33 and Huludao Pipe's August 27, 2008, response at 14 for the range of widths of the steel purchased. The WTA provides prices for steel of a width of 600mm or more and under 600 mm.

¹⁰ See Shanghai Metal's October 27, 2008, response at 6 and Huludao Pipe's October 27, 2008, response at 5 for a list of the thicknesses of the steel used by the respondents.

respect to financial statements that contain evidence of subsidization:

{T}he statute directs Commerce to base the valuation of the factors of production on “the best available information regarding the values of such factors in a market economy country or countries considered to be appropriate . . .” Section 773(c)(1) of the Act. Moreover, in valuing such factors, Congress further directed Commerce to “avoid using any prices which it has reason to believe or suspect may be dumped or subsidized prices.” Omnibus Trade and Competitiveness Act of 1988, H.R. Rep. No. 576, 100 th Cong., 2 nd Sess., at 590–91 (1988). The Department calculates the financial ratios based on financial statements of companies producing comparable merchandise from the surrogate country, some of which may contain evidence of subsidization. However, where the Department has a reason to believe or suspect that the company may have received subsidies, the Department may consider that the financial ratios derived from that company’s financial statements are less representative of the financial experience of that company or the relevant industry than the ratios derived from financial statements that do not contain evidence of subsidization. Consequently, {those statements that appear to reflect subsidies} do not constitute the best available information to value the surrogate financial ratios.¹¹

Moreover, the Department did not rely upon the financial statements of TATA because TATA uses a production process different from those employed by the respondents. It is the Department’s practice not to use financial statements of a company using a production process different from that employed by a respondent, when other

financial statements are available for companies employing a production process similar to that employed by a respondent. See *Fresh Garlic from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review*, 70 FR 34082 (June 13, 2005) at Comment 5.

Given the record information regarding Zenith’s receipt of subsidies, and TATA’s product process, as well as the fact that we have other acceptable financial statements to use as surrogates,¹² we have not considered the financial data from these two companies in our financial ratio calculations. Moreover, given both the fact that we have not found either Bihar’s or Jindal SAW’s financial statements to be clearly preferable in this case, and the Department’s preference to use multiple financial statements when they are not distortive or otherwise unreliable, we have determined that these financial statements represent the best information on the record with which to value financial ratios.¹³

In accordance with 19 CFR 351.301(c)(3)(i), for the final determination in an antidumping duty investigation, interested parties may submit publicly available information with which to value factors of production within 40 days after the date of publication of the preliminary determination.

Currency Conversion

We made currency conversions into U.S. dollars, in accordance with section 773A(a) of the Act, based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

Verification

As provided in section 782(i)(1) of the Act, we intend to verify the information upon which we will rely in making our final determination.

Combination Rates

In the *Initiation Notice*, the Department stated that it would calculate combination rates for certain respondents that are eligible for a separate rate in this investigation. See *Initiation Notice*. This change in practice is described in *Policy Bulletin 05.1*:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of “combination rates” because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation. See *Policy Bulletin 05.1*, “Separate Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries,” available at <http://ia.ita.doc.gov/>.

Preliminary Determination

The weighted-average dumping margins are as follows:

Exporter & Producer	Weighted-Average Margin
Huludao Steel Pipe Industrial Co., Ltd./ Huludao City Steel Pipe Industrial Co., Ltd.	67.83%
Produced by: Huludao Steel Pipe Industrial Co., Ltd./ Huludao City Steel Pipe Industrial Co., Ltd..	
Shanghai Metals & Minerals Import & Export Corp. d/b/a Shanghai Minmetals Materials & Products Corp.	81.52%
Produced by: Huludao Steel Pipe Industrial Co. Ltd.; Benxi Northern Pipes Co. Ltd..	
Benxi Northern Pipes Co., Ltd.	74.68%
Produced by: Benxi Northern Pipes Co., Ltd.; Tianjin Lianzhong Steel Pipe Co., Ltd..	
Pangang Group Beihai Steel Pipe Corporation	74.68%

¹¹ See *Freshwater Crawfish Tail Meat from the People’s Republic of China: Notice of Final Results and Rescission, In Part, of 2004/2005 Antidumping Duty Administrative and New Shipper Reviews*, 72 FR 19174 (April 17, 2007) and the accompanying Issues and Decision Memorandum at Comment 1.

¹² Although Jindal SAW Ltd.’s financial statement listed “export benefits/government grants

receivable,” the Department has insufficient information to determine whether these items relate to programs that have been countervailed.

¹³ See, e.g., *Folding Metal Tables and Chairs from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review*, 72 FR 71355 (December 17, 2007) and accompanying Issues and Decision Memorandum at Comment 1c

and *Final Results of New Shipper Review: Certain Preserved Mushrooms From the People’s Republic of China*, 66 FR 45006 (August 27, 2001), and accompanying Issues and Decision Memorandum at Comment 1.

Exporter & Producer	Weighted-Average Margin
Produced by: Pangang Group Beihai Steel Pipe Corporation. Jiangsu Yulong Steel Pipe Co., Ltd.	74.68%
Produced by: Jiangsu Yulong Steel Pipe Co., Ltd.. Tianjin Xingyuda Import and Export Co., Ltd.	74.68%
Produced by: Tianjin Lifengyuanda Steel Pipe Group Co., Ltd.. PRC-Wide Rate	81.52%

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

Suspension of Liquidation

In accordance with section 733(d) of the Act, we will instruct U.S. Customs and Border protection ("CBP") to suspend liquidation of all entries of welded line pipe from the PRC as described in the "Scope of Investigation" section, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct CBP to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the normal value exceeds U.S. price, as follows: (1) the rate for the exporter/producer combinations listed in the chart above will be the rate we have determined in this preliminary determination; (2) for all PRC exporters of subject merchandise which have not received their own rate, the cash-deposit rate will be the PRC-wide rate; and (3) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash-deposit rate will be the rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter. These suspension-of-liquidation instructions will remain in effect until further notice.

International Trade Commission Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our preliminary affirmative determination of sales at LTFV. Section 735(b)(2) of the Act requires the ITC to make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of welded line pipe, or sales (or the likelihood of sales) for importation, of the subject merchandise within 45 days of our final determination.

Public Comment

Case briefs or other written comments may be submitted to the Assistant

Secretary for Import Administration no later than seven days after the date the final verification report is issued in this proceeding and rebuttal briefs, limited to issues raised in case briefs, no later than five days after the deadline for submitting case briefs. *See* 19 CFR 351.309(c)(1)(i) and 19 CFR 351.309(d)(1). A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. This summary should be limited to five pages total, including footnotes.

In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. If a request for a hearing is made, we intend to hold the hearing three days after the deadline of submission of rebuttal briefs at the U.S. Department of Commerce, 14th Street and Constitution Ave, NW, Washington, DC 20230, at a time and location to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days after the date of publication of this notice. *See* 19 CFR 351.310(c). Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. At the hearing, each party may make an affirmative presentation only on issues raised in that party's case brief and may make rebuttal presentations only on arguments included in that party's rebuttal brief.

Postponement of Final Determination and Extension of Provisional Measures

Pursuant to section 735(a)(2) of the Act, on October 3, 2008, Shanghai Metals requested that in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination by 60 days. At the same time, Shanghai Metals agreed that the Department may extend the application of the provisional

measures prescribed under 19 CFR 351.210(e)(2) from a 4-month period to a 6-month period. In accordance with section 733(d) of the Act and 19 CFR 351.210(b), we are granting the request and are postponing the final determination until no later than 135 days after the publication of this notice in the **Federal Register** because: (1) our preliminary determination is affirmative, (2) the requesting exporters account for a significant proportion of exports of the subject merchandise, and (3) no compelling reasons for denial exist. Suspension of liquidation will be extended accordingly.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act.

Dated: October 30, 2008.

David M. Spooner,

Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

(A-580-861)

Preliminary Determination of Sales at Less Than Fair Value and Postponement of the Final Determination: Certain Circular Welded Carbon Quality Steel Line Pipe from the Republic of Korea

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

EFFECTIVE DATE: November 6, 2008.

SUMMARY: The U.S. Department of Commerce (the Department) preliminarily determines that certain circular welded carbon quality steel line pipe (welded line pipe) from the Republic of Korea (Korea) is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733(b) of the Tariff Act of 1930, as amended (the Act). The estimated margins of sales at LTFV are listed in the "Suspension of Liquidation" section of this notice. Interested parties are invited to comment on this preliminary determination in accordance with the