

APPENDIX I

GLOSSARY OF TERMS

This glossary is intended to provide parties with a basic understanding of many technical terms that appear in the antidumping questionnaire. These explanations are not regulations or rules with the force of law. As difficult or detailed questions arise, parties should seek clarification from the statute, regulations, and the Department, rather than attempting to derive precise guidance from these general explanations.

Administrative Protective Order

An administrative protective order is the legal mechanism by which the Department controls the limited disclosure of business proprietary information to representatives of interested parties. The Department authorizes the release of proprietary information under administrative protective order only when the representatives file a request in which they agree to the following four conditions: (a) to use the information only in the antidumping proceeding, (b) to secure the information and protect it from disclosure to any person not subject to an administrative protective order, (c) to report any violation of the terms of the protective order, and (d) to acknowledge that they may be subject to sanctions if they violate the terms of the order. (Section 777(c) of the Act. See also **Proprietary Information** and **Proprietary Treatment**.)

Affiliated Persons

Under the antidumping law, transactions between affiliated persons are subject to particular scrutiny. Affiliated persons (affiliates) include (1) members of a family, (2) an officer or director of an organization and that organization, (3) partners, (4) employers and their employees, and (5) any person or organization directly or indirectly owning, controlling, or holding with power to vote, 5 percent or more of the outstanding voting stock or shares of any organization and that organization. In addition, affiliates include (6) any person who controls any other person and that other person, and (7) any two or more persons who directly control, are controlled by, or are under common control with, any person. "Control" exists where one person or organization is legally or operationally in a position to exercise restraint or direction over the other person or organization. (Section 771(33) of the Act.)

Antidumping Law

The United States antidumping laws are set forth in Title VII of the Tariff Act of 1930, as amended ("the Act") (19 U.S.C. 1673 et seq.).

Certification of Accuracy

Any party that submits factual information to the Department must include with the submission a certification of the completeness and accuracy of the factual information. Certifications must be made by a knowledgeable official responsible for presentation of the factual information and by the party's legal counsel or other representative, if any. A certification form is included as Appendix V to the questionnaire. (Section 782 (b) of the Act.

Constructed Export Price

(See **Export Price and Constructed Export Price.**)

Date of Sale

Establishing the date of sale is an important part of any dumping analysis. Generally, the date of sale is the date on which the basic terms of the sale, particularly price and quantity, are agreed upon by the buyer and the seller. Typically, the date of sale is the sale contract date, purchase order date, or the order confirmation date. For long-term or requirements contracts, the date of the sale is the date of contract.

If basic terms of sale have changed up to, or even subsequent to, the date of shipment, then the date of shipment is the date of sale. However, the date of sale cannot occur after the date of shipment. Thus, the Department treats post-shipment price modifications as price adjustments.

Discounts

A discount is a reduction to the gross price that a buyer is charged for goods. Although the discount need not be stated on the invoice, the buyer remits to the seller only the face amount of the invoice, less discounts. Common types of discounts include early payment discounts, quantity discounts, and loyalty discounts.

Dumping

Dumping occurs when imported merchandise is sold in, or for export to, the United States at less than the normal value of the merchandise. The dumping margin is the amount by which the normal value exceeds the export price or constructed export price of the subject merchandise. The

weighted-average dumping margin is the sum of the dumping margins divided by the sum of the export prices and constructed export prices.

Export Price and Constructed Export Price

Export price and constructed export price refer to the two types of calculated prices for merchandise imported into the United States. The Department compares these prices to normal values to determine whether goods are dumped. Both export price and constructed export price are calculated from the price at which the subject merchandise is first sold to a person not affiliated with the foreign producer or exporter.

Generally, a U.S. sale is classified as an export price sale when the first sale to an unaffiliated person occurs before the goods are imported into the United States. Generally, a U.S. sale is classified as a constructed export price sale when the first sale to an unaffiliated person occurs after importation. However, if the first sale to the unaffiliated person is made by a person in the United States affiliated with the foreign exporter, constructed export price applies even if the sale occurs prior to importation, unless the U.S. affiliate performs only clerical functions in connection with the sale.

Factors of Production

For nonmarket economy countries, the usual bases for calculating normal value is not appropriate. Instead, the Department constructs a normal value using the nonmarket economy producer's factors of production. The factors of production include, but are not limited to, (1) the hours of labor required to produce the merchandise, (2) the quantities of raw materials employed, (3) the amounts of energy and other utilities consumed, and (4) representative capital costs, including depreciation. These factors of production are then usually valued in a market economy country that is at a level of economic development comparable to that of the nonmarket economy country and is a significant producer of the subject merchandise or of comparable merchandise. (Section 773(c)(3) of the Act.)

Facts Available

The Department seeks to make its antidumping determinations on the basis of responses to its antidumping questionnaires. However, for a variety of reasons, the data needed to make such determinations may be unavailable or unusable. In such instances, the law requires the Department to make its determinations on the basis of "the facts otherwise available" (more commonly referred to as "the facts available"). More specifically, the Department must use the facts available if necessary information is not available on the record of an antidumping proceeding. In addition, the Department must use the facts available where an interested party or any other person: (1) withholds information requested by the Department; (2) fails to provide requested information by

the requested date or in the form and manner requested; (3) significantly impedes an antidumping proceeding; or (4) provides information that cannot be verified.

In selecting the information to use as the facts available, the law authorizes the Department to make an inference which is adverse to an interested party if the Department finds that party failed to cooperate by not acting to the best of its ability to comply with a request for information. However, the law also provides that when the Department relies on secondary information rather than on information obtained in the course of an antidumping proceeding, the Department must, to the extent practicable, corroborate that information from independent sources that are reasonably at the Department's disposal.

The Department will consider using submitted information that does not meet all of the Department's requirements if: (1) the information is submitted within applicable deadlines; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for a determination; (4) the party establishes that it acted to the best of its ability; and (5) the Department can use the information without undue difficulties. Finally, if an interested party promptly informs the Department of difficulties it is having in responding to a request for information, the Department will consider modifying its request to the extent necessary to avoid imposing an unreasonable burden on the party. (Sections 776 and 782(c)-(e) of the Act.)

Further Manufacturing Adjustment

In calculating constructed export price, the Department normally deducts from the price of the merchandise sold in the United States the cost of any further manufacture or assembly performed in the United States by, or for, the exporter or an affiliate. However, if the value of the further processing is likely to exceed substantially the value of the subject merchandise as imported, the Department may instead use an alternative basis for the constructed export price. If possible, the Department would use the price of subject merchandise sold to an unaffiliated customer by the producer, exporter, or affiliated seller. If there is an insufficient quantity of such sales, the Department may rely on any other reasonable basis. (Sections 772(d)(2) and 772(e) of the Act.)

Market-Oriented Industry

The Department may find a market-oriented industry exists when it finds that in an entire industry: (1) there is virtually no government involvement in setting prices or amounts produced; (2) it is a privately or collectively owned industry; and (3) market-determined prices are paid for all significant inputs.

Such a decision is based on information provided by the nonmarket economy exporters and producers. If an industry is found to be a market-oriented industry, the normal value will be calculated on the basis of home market or third country prices or costs. That industry would also

be subject to a countervailing duty investigation should one be petitioned and initiated.

Nonmarket Economy

A nonmarket economy country is any country that the Department determines does not operate on market principles. The Department considers the following factors about a foreign country in making these decisions: (1) the extent to which the currency is convertible; (2) the extent to which wage rates are determined by free bargaining between labor and management; (3) the extent to which joint ventures or foreign investment are permitted; (4) the extent of government ownership or control of means of production; (5) the extent of government control over allocation of resources and over the price and output decisions of enterprises; and (6) other factors the Department considers appropriate. (Section 771(18)(B) of the Act.)

Your country has been treated as a nonmarket economy country in past antidumping proceedings. As a result, your country is being treated as a nonmarket economy country for purposes of this investigation. (Section 771(18)(C) of the Act.)

Normal Value

In a case involving merchandise produced in a nonmarket economy country, normal value is constructed using the factors of production methodology (see also **Factors of Production** and **Surrogate Country**.) The Department compares the normal value to the export price or constructed export price to determine the margin of dumping, if any. (Section 773(a) and 773(c) of the Act.)

Proprietary Information

Proprietary information is sensitive business data that would cause substantial harm to the submitter if disclosed publicly. Examples of information that the Department normally treats as proprietary, if requested and not already in the public domain, include trade secrets concerning the production process, production and distribution costs, terms of sale, individual prices, and the names of customers and suppliers.

Proprietary Treatment

If a party requests proprietary treatment of information, and if the Department agrees that the information is proprietary, the Department will protect the information from public disclosure. If the Department does not agree that the information is proprietary, it will return the information and not rely on it in the proceeding, unless the submitter agrees that it may be made public. The

Department will disclose proprietary information only to United States International Trade Commission and United States Customs Service officials and, under limited administrative protective orders, representatives of interested parties. (Section 777(b) of the Act. See also **Administrative Protective Order.**)

Rebates

Similar to discounts, rebates are reductions in the gross price that a buyer is charged for goods. Unlike discounts, rebates do not result in a reduction in the remittance from the buyer to the seller for the particular merchandise with which the rebate is associated. Rather, a rebate is a refund of monies paid, a credit against monies due on future purchases, or the conveyance of some other item of value by the seller to the buyer after the buyer has paid for the merchandise. When the seller establishes the terms and conditions under which the rebate will be granted at or before the time of sale, the Department reduces the gross selling price by the amount of the rebate. (See also **Discounts.**)

Separate Rates

The Department calculates one rate for all companies in a nonmarket economy country. However, if an exporter demonstrates that it is independent of government control, it can receive an individually calculated antidumping duty rate. This separate rate is calculated using the U.S. price the exporter set and the inputs of the manufacturer that supplied the goods to the exporter valued in a surrogate country. All companies that do not submit a response to the questionnaire or do not adequately establish that they are independent of government control are subject to the single economy-wide rate.

Subject Merchandise

Subject merchandise is the merchandise under investigation, i.e., the merchandise described in Appendix III to the questionnaire, and sold in, or to, the United States. (Section 771(25) of the Act.)

Surrogate Country

The Department values factors of production in a surrogate country (or countries). The surrogate usually is a market economy country that is at a level of economic development comparable to that of the nonmarket economy country and is a significant producer of the subject merchandise or comparable merchandise. (Section 773(c) of the Act.)

Verification

To establish the adequacy and accuracy of information submitted in response to questionnaires and other requests for information, the Department conducts an examination of the records of the party that provided the information and interviews company personnel who prepared the questionnaire response and are familiar with the sources of the data in the response. This process is called verification. The Department must verify information relied upon in making a final determination in an investigation, or in an administrative review when revocation of an antidumping order is properly requested. The Department also must verify information submitted in an administrative review if an interested party so requests and no verification of the producer or exporter had been conducted during the two immediately preceding reviews of that producer or exporter, or if good cause for verification is shown. (Section 782(i) of the Act.)

APPENDIX II
INSTRUCTIONS FOR SUBMITTING
COMPUTER DATA

All electronic business proprietary information that is submitted during a proceeding must be releasable in its entirety under the terms of an **administrative protective order**. (During an investigation, the Department may not release customer names or any information that would lead to their identity. If your standard customer code plainly identifies the customer, immediately contact the official in charge to obtain authorization for the use of a substitute code.)

If you are not able to prepare computer files or if you have any questions concerning the submission of electronic media, contact the official in charge.

This appendix covers the following topics: computer file contents, file formats, computer media specifications, and filing instructions.

A. DESCRIPTION OF COMPUTER FILE CONTENTS

Each file submitted should be assigned a unique eight character name. We suggest that the first four positions be used to identify the respondent's name, the next two positions the type of file (*e.g.*, HM = home market sales; US = United States sales; CP = cost), and the last two positions a sequential file number.

For example, the first file of export sales to the United States would be named "FIRMUS01". If that data file is amended and resubmitted during the course of the proceeding, the second submission would be named "FIRMUS02", and the third submission "FIRMUS03".

Within each file, all information pertaining to a specific sales transaction or to the cost of production for a unique product should be included in one record (row). Each record should contain the fields (variables) defined in the suggested file formats included in section B (Foreign Market Sales), section C (United States Sales), section D (Cost of Production and Constructed Value) and section E (U.S. Further Manufacturing) of the questionnaire.

In preparing the files, left justify character fields (columns) and right justify numeric fields. If some of the fields in the suggested file formats are not needed, exclude them from the file. Explain in the narrative portion of your response why the information in those fields is not applicable. If a particular field is not relevant for certain records in the file, enter for those records a zero in the

field. Do not leave any fields blank. Fields left blank register as errors. Make sure that all reported fields contain values.

Because the suggested file formats can be modified to add or delete fields, we have not specified record length or field position in the file formats. The Department, however, does require that each file have a fixed record length and a uniform structure. Every record within a file must be of the same length and must be formatted exactly like every other record in the file. This requires that each field within a record have a fixed width and that the fields be consistent from record to record.

All values within each field must have the same format, either all values as numeric or all values as character. In other words, do not mix character and numeric formats within the same field. Fields with mixed formats will cause errors. This is important for all data files, especially for data submitted in spreadsheet format.

When preparing the completed files for submission, sort each file first by product control number ("CONNUM"), and then, for sales files only, by date of sale ("SALEDT"). Packed decimals should be avoided. If you anticipate the need of packed decimals, approval should be obtained from the official in charge.

The Department uses PC SAS software for calculation purposes. Other suitable formats are Access, dBase, Excel, and Lotus 1-2-3. If you have questions about the software used for submission, contact the official in charge of the case.

For spreadsheet files, use the first row to enter the field names as defined in the questionnaire. Field names should be a maximum length of eight characters. Each subsequent row should contain data values. Each row of data values should represent only one transaction (sale, cost record, etc.). There should be no hidden rows or columns in the file. Do not protect columns or rows.

For spreadsheet files, report date variables as date values if possible (*ex.* January 1, 2002 in Lotus 1-2-3- would be represented as the integer value 37257, the number of days from January 1, 1990). Format the date value with a date format (*ex.* 12/31/2000).

B. DOCUMENTATION OF FILE FORMATS

Provide a record layout for each submitted file which identifies the file name and structure and shows the name, position, and characteristics of all fields in the file.

In addition to the record layout, prepare a chart for each file with the following information:

1. variable name of each field
2. short description of the variable
3. unit of measurement (where applicable)
4. unit of currency (for monetary variables)

We suggest that you integrate this information with the record layout. The record layout and chart should be included as attachments to your narrative response to the questionnaire.

C. COMPUTER MEDIA SPECIFICATIONS AND DOCUMENTATION

You may submit your files on any of the computer media listed below. Please use the electronic media specifications and format instructions described.

Please note that Diskettes, Zip disks, and CDs, are acceptable media. Select a media that will hold all files pertaining to a company. If an individual file is too large to fit on one media, split the file into enough pieces that each piece will fit on a separate media. If a file is split across multiple media, please explain how the data is split.

Compressed datasets are acceptable but must conform to these instructions. Decompression instructions and software must accompany any compressed data submission.

Since the media must be readable by an IBM-compatible PC, the data must be encoded in ASCII format or, at your option, PC SAS, Access, dBase, Excel, or Lotus 1-2-3 formats. Specify on the media label the format used.

1. Diskette: Standard double-sided, high density
2. Zip Disk: U250MB Zip disks
3. CD ROM: Unformatted CD-R or CD-RW

Clearly label the media with the following information:

- a. Case name, case number, and submission date
- b. Name of respondent
- c. Proceeding and Time Period (for example,
REV-POR [1/2001-12/2001] or AR#2-POR [3/2001-2/2002])
- d. Name of official in charge
- e. File formats and software used to create files
- f. File names, number of observations, and record lengths

D. FILING INSTRUCTIONS

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Separately pack the labeled electronic media, record layouts, file information charts, and printouts (see General Instructions, part II, instruction 11). Place a label on the package containing your name, address, and telephone number plus the case name, case number, and name of the official in charge. Deliver the package with your narrative response to the address listed on the cover page of this questionnaire.

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APPENDIX III

DESCRIPTION OF PRODUCTS UNDER INVESTIGATION

This investigation covers circular welded non-alloy steel pipes (standard pipes) which includes all pipes and tubes, of circular cross-section, not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (e.g., black, galvanized, or painted), end finish (e.g., plain end, bevelled end, threaded, or threaded and coupled), or industry specification (e.g., ASTM, API, proprietary, or other) used in standard or structural pipe applications.

The scope specifically includes, but is not limited to, all pipe produced to the ASTM A-53, ASTM A-120, ASTM A-135, ASTM A-795, and BS-1387 specifications, regardless of end-use. Also included is any pipe multiple-stencilled or multiple-certified to one of the above-listed specifications with any other specification, as well as pipe produced to any other specification, provided that it is used in standard or structural pipe applications, regardless of the Harmonized Tariff Schedule of the United States (HTSUS) category into which it was classified. For example, pipe multiple-stencilled or multiple-certified to one of the above listed standard pipe specifications and to either API 5L or API 5L X42 is within the scope of this investigation if used in a standard or structural pipe application.

Standard pipe uses include the low-pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may carry liquids at elevated temperatures but may not be subject to the application of external heat. Standard or structural pipe uses also include load-bearing applications in construction and residential and industrial fence systems.

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Standard pipe uses also include shells for the production of finished conduit and pipe used for the production of scaffolding.

This investigation does not cover API line pipe that is used in oil or gas pipelines. Also not covered are the following products unless used in a standard or structural pipe applications: mechanical tubing, whether or not cold-drawn, that enters the United States classified under HTSUS 7306.30.10 or 7306.30.50; tube and pipe hollows for redrawing that enter the United States classified under HTSUS 7306.30.50.35; and finished electrical conduit that enters the United States classified under HTSUS 7306.30.50.28. However, the investigation does cover conduit shells that enter the United States classified under HTSUS 7306.30.50. Pipe produced to the API specifications for oil country tubular goods (API 5CT) is not covered by the scope of this investigation, unless used in a standard or structural pipe application.

The merchandise under investigation is currently classifiable under items 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, and 7306.30.50.90 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this investigation is dispositive.

APPENDIX IV
CERTIFICATE OF SERVICE

I, _____, hereby certify that a copy of the
(name of certifying official)

foregoing submission on behalf of _____,
(company name)

dated _____, was served by first class mail or by hand delivery (circle the method used) on the following parties:

(Business Proprietary Version)

On Behalf of

Name and address

(Public Version)

On Behalf of

Name and address

(signature of certifying official)

APPENDIX IV
COMPANY OFFICIAL CERTIFICATION

I, _____, currently employed
(name and title)

by _____, certify that (1) I have
(Interested Party)

read the attached submission, and (2) the information contained in

this submission is, to the best of my knowledge, complete and

accurate.

(signature of certifying official)