

# International Trade Commission Finds That Imports of Oil Country Tubular Goods from China Injured Domestic Producers

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December 30, 2009

On December 30, 2009, in a unanimous decision, the United States International Trade Commission (ITC) determined that imports of oil country tubular goods (OCTG) from China materially injured or threatened the domestic industry.

The case was brought by seven domestic OCTG producers, United States Steel Corporation, Maverick Tube Corporation, V&M Star LP, V&M Tubular Corporation of America, TMK IPSCO, Evraz Rocky Mountain Steel and Wheatland Tube Corporation, as well as the United Steel Workers Union. The case alleged that dumped and illegally subsidized OCTG imports from China had materially injured and threatened the U.S. industry with further injury.

Prior to today's vote, the Department of Commerce determined that Chinese OCTG producers received illegal subsidies in the amount of 10 to 16 percent of the value of the product. The Department of Commerce also preliminary determined that many of these same Chinese producers were also dumping OCTG into the United States at margins of 96 percent or more of the value of the goods.

Alan Price, head of Wiley Rein's International Trade Practice and counsel to Maverick Tube Corporation, a subsidiary of Tenaris S.A. and one of the petitioners in this case, stated that, "We are gratified and pleased by the Commission's affirmative determination that imports of OCTG from China materially injured U.S. producers and threatened them with further material injury." He went on to state that, "The Commission's affirmative determination is not surprising given that the Chinese increased their market share from 15 percent

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to 37 percent over the period of investigation by significantly underselling the U.S. producers with over 94 percent of their import volumes."

The Commission's affirmative injury determination clears the way for the collection of countervailing duties in the amount of the final subsidy margins calculated by the Department of Commerce as mentioned above. In March of 2010, the Department of Commerce will also calculate the Chinese producers' final dumping margins.