

**MAVERICK TUBE CORPORATION OBJECTION TO THE EXCLUSION REQUESTS OF BORUSAN  
MANNESMANN PIPE U.S. INC.**

Filed on: May 9, 2018

**VIA ELECTRONIC FILING**

Mr. Brad Botwin  
Director  
Industrial Studies, Office of Technology Evaluation  
Bureau of Industry and Security  
U.S. Department of Commerce  
Room 1903  
1401 Constitution Avenue NW  
Washington, DC 20230  
[Steel232@bis.doc.gov](mailto:Steel232@bis.doc.gov)

**Re: Objection to Requests for Exclusion from Remedies Resulting from the Section 232  
National Security Investigation of Imports of Steel filed by Borusan Mannesmann Pipe  
U.S. Inc. – 7306.29.6050 and 7306.29.2000**

Dear Mr. Botwin:

Maverick Tube Corporation (“Maverick”) hereby responds to the requests for exclusion filed by Borusan Mannesmann Pipe U.S. Inc. (“BMP”) on March 30, 2018 and made publicly available on April 10, 2018. We submit Maverick’s timely objection to the granting of an exclusion in the following requests:

BIS-2018-0006-0028	BIS-2018-0006-0029	BIS-2018-0006-0031	BIS-2018-0006-0032	BIS-2018-0006-0033
BIS-2018-0006-0034	BIS-2018-0006-0035	BIS-2018-0006-0036	BIS-2018-0006-0037	BIS-2018-0006-0038
BIS-2018-0006-0039	BIS-2018-0006-0040	BIS-2018-0006-0041	BIS-2018-0006-0042	BIS-2018-0006-0043
BIS-2018-0006-0044	BIS-2018-0006-0045	BIS-2018-0006-0046	BIS-2018-0006-0047	

**[I] - Reasons why Maverick strongly opposes the above exclusion requests:**

**(1) Standard Steel Grade & Available US capacity**

The requested grade of the steel used to manufacture the finished products identified in the exclusion requests submitted by BMP is considered a standard grade and is readily available in the requested quality and quantity from several domestic steel producers.

**(2) Ample availability of domestic capacity for welded OCTG J55 Casing and Tubing**

There is plenty of installed capacity in the United States that can manufacture welded OCTG J-55 grade products to satisfy the demand indicated by BMP in their exclusion request forms. Maverick has proprietary market information on the estimated domestic welded OCTG industry’s capacity and production by mill and is ready to provide that information confidentially, if requested by the Department.

Maverick, in particular, has the capacity in the United States to produce the requested products, meeting the requirements cited in the exclusion request forms from both a qualitative and quantitative perspective. Maverick has two production facilities in the United States with a long-standing track record of manufacturing OCTG products for the domestic oil and gas sector. Moreover, Maverick currently manufactures these products relying 100% on domestic steel (“melted in the U.S.”).

### **(3) Unreasonably high volume requested in the exclusions**

The amount of 135,000 metric tons per year requested by BMP seems excessive considering that it represents 2.94 times the average annual OCTG imports from Turkey in the last 3 calendar years (2015, 2016 and 2017).<sup>1</sup>

### **(4) No significant value added in the US, if exclusion is granted**

BMP argued that the requested exclusion is vital for its relevant business activities. Nevertheless, BMP’s production process is not as relevant as they claim; in fact by importing J-55 grade “green pipes”, the only process to be done in the United States is what is commonly referred to as “finishing”, which typically includes threading and buck-on activities. Conversely, if these products were to be manufactured entirely in the United States, the production process would encompass a broader spectrum of value-adding activities ranging from steel manufacturing, rolling of the green pipes, non-destructive testing, hydro-testing, and finishing. From this perspective, it can be concluded that limited value would be added in the United States if the exclusions were granted.

### **(5) Negative impact on U.S. National Security**

The basis upon which the exclusion is sought is skewed. BMP did not prove the “specific national security consideration” mentioned in its request. BMP recognizes that “Commerce has already determined that the United States has a national security interest in maintaining domestic steel supply for U.S. critical infrastructure and has identified the energy sector as one of the sixteen designated critical infrastructure sectors in the United States that consumes high volumes of steel.” Contrary to what BMP claims, their request further endangers the precarious U.S. industry situation by asking for the importation of a significant quantity of unfairly priced goods<sup>2</sup> that can be easily manufactured in the United States.

## **[II] Conclusion**

For the reasons listed above, and the supplemental information included in the Objection Form, Maverick respectfully requests the Department deny the exclusion requests submitted by BMP.

<sup>1</sup> U.S. Imports of Steel Mill Products from Turkey, Oil Country Goods Carbon and Alloy, Year 2015: 50,242 metric tons, Year 2016: 25,765 metric tons, Year: 2017: 61,517 metric tons. 3-year average: 45,841 metric tons. Available at: [https://enforcement.trade.gov/steel/license/SMP/Census/Annual/gdesc52/MMTSum\\_ALL\\_tr\\_9Y.htm](https://enforcement.trade.gov/steel/license/SMP/Census/Annual/gdesc52/MMTSum_ALL_tr_9Y.htm)

<sup>2</sup> There is a countervailing duty (CVD) order affecting BMP’s OCTG exports from Turkey to the United States (Case number C-489-817).