



Ottawa, Friday, November 13, 1992

Review No.: RR-92-002

IN THE MATTER OF a review, under subsection 76(2) of the *Special Import Measures Act*, of the finding made by the Canadian Import Tribunal on August 3, 1988, in Inquiry No. CIT-1-88, respecting:

**CERTAIN BUTT WELDING PIPE FITTINGS
ORIGINATING IN OR EXPORTED FROM JAPAN**

ORDER

The Canadian International Trade Tribunal, under the provisions of subsection 76(2) of the *Special Import Measures Act*, has conducted a review of the finding made by the Canadian Import Tribunal on August 3, 1988, in Inquiry No. CIT-1-88.

Pursuant to subsection 76(4) of the *Special Import Measures Act*, the Canadian International Trade Tribunal hereby rescinds the above-mentioned finding.

Sidney A. Fraleigh

Sidney A. Fraleigh
Presiding Member

Arthur B. Trudeau

Arthur B. Trudeau
Member

W. Roy Hines

W. Roy Hines
Member

Michel P. Granger

Michel P. Granger
Secretary

Ottawa, Friday, November 13, 1992

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**CERTAIN BUTT WELDING PIPE FITTINGS
ORIGINATING IN OR EXPORTED FROM JAPAN**

Special Import Measures Act - Whether to rescind or continue, with or without amendment, the finding made by the Canadian Import Tribunal on August 3, 1988, in Inquiry No. CIT-1-88.

Place of Hearing by Way of
Written Submissions: Ottawa, Ontario

Date of Order and Reasons: November 13, 1992

Tribunal Members: Sidney A. Fraleigh, Presiding Member
Arthur B. Trudeau, Member
W. Roy Hines, Member

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TRIBUNAL: SIDNEY A. FRALEIGH, Presiding Member
ARTHUR B. TRUDEAU, Member
W. ROY HINES, Member

STATEMENT OF REASONS

THE BACKGROUND

On September 17, 1992, the Canadian International Trade Tribunal (the Tribunal) issued a notice of review of the finding made by the Canadian Import Tribunal (the CIT) on August 3, 1988, in Inquiry No. CIT-1-88, respecting certain butt welding pipe fittings originating in or exported from Japan. A copy of the notice of review was published in Part I of the September 26, 1992, edition of the Canada Gazette. In accordance with subsection 76(3) of the *Special Import Measures Act* (SIMA), the notice stated that the Tribunal was satisfied that a review, pursuant to subsection 76(2) of SIMA, was warranted in light of reports that Macline Fittings Ltd. (Macline), the sole Canadian producer of the subject goods when the CIT issued its finding in Inquiry No. CIT-1-88, had ceased production. The notice requested "views of interested parties on whether or not the finding in Inquiry No. CIT-1-88 should be immediately rescinded." The notice also stated that a public hearing was not scheduled for the review.

Submissions were received from Sandvik Canada (Sandvik), Seybold International Inc. (Seybold), Atlas Alloys, A Division of Rio Algom Limited (Atlas Alloys) and CCTF, Division of Emco Limited (CCTF). While the Tribunal did receive a response to its notice from Associated Tube Industries, A Division of Samuel Manu-Tech Inc., the company stated that, as it was neither a manufacturer nor an importer of the goods in issue, it took no position in this matter. No submission was received from Devjo Holdings Limited, Macline's parent company.

THE PRODUCT

The subject goods are certain butt welding pipe fittings of austenitic stainless steel made to ASTM A-403 specifications, in nominal pipe sizes (outside diameters) 1/2 - 5 in., in schedules 5, 10, 40, 80, 160, welded or seamless, originating in or exported from Japan. In Inquiry No. CIT-1-88, the CIT found that the dumping of these goods from Japan, with certain exclusions, had caused, was causing and was likely to cause material injury to the production in Canada of like goods. The CIT excluded from the finding straight and reducing tees, sizes 2 1/2 - 5 in. outside diameter, and types A and B stub ends, sizes 1/2 - 5 in. outside diameter.

Fittings are used whenever there is a requirement to change the direction of an industrial piping system in applications such as chemical and pharmaceutical plants, food processing facilities, gas processing facilities and commercial nuclear power plants.

The butt welding fitting derives its name from the fact that it is butt welded to matching pipe. In the manufacturing process, the pipe ends and fittings are machine bevelled to form a groove. Each piece is joined and fuse welded. The advantages of a welded system are that it is leakproof, requires little maintenance and uses a minimum of space.

The subject goods are sold to steel distributors that purchase them on a regular basis as part of their inventory stocking program and that, in turn, resell them to end users.

THE POSITION OF PARTIES

In their submissions, Sandvik and CCTF stated that Macline had gone out of business and requested that the imposition of anti-dumping duties on Japanese imports be discontinued immediately. CCTF further noted that, as all of the Macline machinery and forming equipment has been, or very shortly will be, relocated to premises in the United States, there will be no potential for injury to a Canadian manufacturer.

Seybold also opined that there was no longer production in Canada of the subject goods and requested that a review of the anti-dumping duties imposed on Japanese imports be undertaken.

Atlas Alloys, in response to the Tribunal's notice of review, indicated that it was in favour of the finding being rescinded.

CONCLUSION

The Tribunal concludes, based on its research and submissions received, that the finding should be rescinded. As the purpose of the CIT finding in Inquiry No. CIT-1-88 was to protect Canadian production of the subject goods from injurious dumping, and as Macline, the sole domestic producer of the subject goods, no longer produces these goods, the Tribunal considers that continuation of the finding in Inquiry No. CIT-1-88 is not warranted.

Sidney A. Fraleigh
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Presiding Member

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Member