

**Response of Welspun Global Trade, the Marketing Arm for Welspun Tubular, LLC,
To the Questions Contained in 82 Fed. Reg. 13973**

a) Welspun's role regarding US Pipelines?

Welspun manufactures API line pipe and applies line pipe coatings to the line pipe. In addition we supply logistical services to the pipeline industry to ship coated line pipe to the field for storage or to the pipeline right of way.

Welspun is a manufacturer of Large Diameter HSAW Line Pipe in diameters ranging from 24" - 60" as well as Small Diameter ERW Line Pipe in diameters 8-5/8" - 20". Our facilities in the USA are located in Little Rock, AR.

b) Welspun NAICS code 331110.

c) Welspun is a manufacturer of Large Diameter HSAW Line Pipe in diameters ranging from 24" - 60" as well as Small Diameter ERW Line Pipe in diameters 8-5/8" - 20".

d) Plant Location - Little Rock, AR USA.

e) Welspun employment in 2015 / 2016 was [] employees. Current employment at [] employees in 2017.

f) Revenue - Fiscal 2015 – [] Million. Fiscal 2016 – [] Million.

g) [] Miles of line pipe produced in 2016.

1) The percentage of import steel versus domestic steel varies from year to year.

Historically has run [] import and [] domestic as when we began domestic steel supply for Large Diameter HSAW was difficult to obtain. More recent years the split of steel is running [] domestic and [] import.

Percentage Depends on the Following:

- Delivery Requirements.
- Specifications of the Orders we receive and domestic ability to produce.
- Price.

2) Welspun's estimation of miles of pipeline to be installed in the USA in next few years? We expect to see several thousand miles of new pipelines over course of the next 5 years. President Trump's willingness to allow for access and new pipeline development (KXL and DAPL) will

provide our customers assurance that if they do everything required in a proper manner they will be allowed to construct and operate the pipeline.

3) Welspun has the capacity in the USA to produce approximately [] Metric Tons of HSAW and ERW Line Pipe in Little Rock, AR.

Globally Welspun has [] Million Metric Tons of Capacity.

- Our capacity utilization at Little Rock in 2016 was about [] on ERW (8-5/8" - 20" Diameter) and about [] on HSAW (24" - 60" Diameter).

- In the ERW Market the factors that prevented us from operating at 100% of capacity was a poor market that existed due to the collapse of the energy market for oil and gas coupled with extraordinary quantities of imported Korean Line Pipe that have flooded the USA Market for several year and injured the domestic US competitors.

- In HSAW Large Diameter the market for large diameter in 2016 was down from the market that existed in 2015. In 2015 Welspun operated at [] capacity all year.

4) Welspun operates in two distinct businesses.

- The Large Diameter HSAW business is a produce to order only business for projects. We strive to match raw material inventory to actual orders for production.

- The Small Diameter ERW Business has a mix of project that are produced to order and standard gathering pipe that is either made to order or rolled for inventory to be sold on quick requirement basis. Our inventory position would be [] days in inventory maximum.

5) In producing line pipe the vast majority of the cost of production is the cost of the steel.

In production of HSAW we have the cost of welding consumables.

In production of ERW we do not have welding consumables as steel is a metal to metal bond with no consumables.

In both HSAW and ERW Line Pipe production we have the costs of coatings material and of course the cost of labor.

6) The demand for higher quality line pipe is continuous in the pipeline industry. The steel requirements continue become more difficult as metallurgical technology and requirements to produce high quality high strength steels continues to evolve. In addition the welding technology for fabricating steel into pipe continues to improve. Inspection techniques and equipment continue to improve in the industry. In addition the pipeline industry today requires absolute traceability of the pipe from steel melting original to traceability of individual pipes within the production process to shipment, storage and being installed into pipeline service.

7) Not applicable to Welspun as we do not construct pipelines.

8) Domestic content requirements will reduce the number of steel mills in our supply chain base. When we first opened the pipe mill in 2009 with the Large Diameter HSAW Mill this was the first mill of its kind in the USA and finding hot rolled coils to produce large diameter Grade X70 Steels in the USA to meet customer specifications was difficult. In recent years US Steel in Gary, IN and Arcelor Mittal in Calvert, AL (New Mill in Alabama) have become much better suppliers of the hot rolled steel that we use in the production process. The mini mills like Nucor and SDI are excellent suppliers for most of the steels required for our ERW Mill. However, because of

thin slab casting technology they use in their process, their mills do not get the necessary reduction in rolling from slab to coil to attain the necessary grain refinement to meet properties required by the pipeline industry with the toughest requirement being the drop weight tear test known as DWTT in the industry. This test requirement for large diameter line pipe separates the steel requirements of this product and thereby limits the steel mills in the USA and the world that supply to this industry.

For the HSAW Large Diameter Line Pipe Market Segment, Welspun can currently purchase steel in wall thicknesses up to .625 wall in Grade X70 that meet our requirements. Above .625 wall Grade X70 we currently have to import steel into the USA to meet requirements for Grade X70.

We note the following USA producer efforts to supply thicker wall steels required by our industry:

a) [

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b) [

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c) [

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Further note that Welspun has capabilities to produce pipe in wall thicknesses up to 1" wall X70. We have produced for customer orders .864" wall X70 and .888 wall X70. We believe that no other HSAW pipe mill in the USA can produce. No mill in the USA can produce steel above .750 wall. Any hot rolled coil for Grade X70 thicker than .750 wall must be imported. Further at this time hot rolled steel for Grade X80 in wall thicknesses above .600 wall is in the early stages of development in the USA.

Welspun would also note that LSAW Line Pipe in Grade X70 with wall thicknesses over 1" is not produced in the USA. This pipe is used in certain Onshore pipeline applications, fabrication requirements, and for Offshore Pipelines. This type of pipe currently has no import restrictions and needs to remain without restrictions. We can supply the DOC a chart with pipe OD / Wall / Grade Combinations are not produced in the USA.

Note that Welspun operates two mills in India that produce this type of heavy wall pipe. On this pipe we compete with mills from Germany and Japan. We do not compete with mills from the USA as these mills do not produce this type of pipe.