

3.327. As the first step, we apply the Armington model to the US market as it existed in the year-prior to simulate, for each CVD order, the impact of imposing the relevant WTO-inconsistent CVDs on the market shares of imports from China, imports from the RoW, and on sales of the US domestic variety.⁶⁴⁶ We then apply the market shares of imports from China simulated under the first step to the actual 2017 total value of the US market in order to obtain the simulated 2017 total value of US imports from China.

3.328. As the second step, we apply the Armington model to the 2017 US market with the market shares simulated under the first step to simulate, for each CVD order, the impact of reducing the WTO-inconsistent CVDs from the actual duty rates to the counterfactual duty rates on the value of imports from China, imports from the RoW, and sales of the domestic variety. The value of imports from China simulated under the second step corresponds to the counterfactual value of imports from China.

3.329. We then estimate the level of N/I concerning the CVD orders at issue by calculating, for each order, the difference between the 2017 value of imports from China, simulated under the first step, and the counterfactual value of imports from China, simulated under the second step.

3.330. The table below presents the level of N/I estimated for each CVD order at issue by applying the two-step Armington model, as well as the total estimated level of N/I.

Table 27: Estimated level of nullification and impairment

CVD order	Level of nullification and impairment (million USD)
Pressure Pipe	[[**]]
Line Pipe	[[**]]
Kitchen Shelving	[[**]]
OCTG	365.370
Wire Strand	[[**]]
Seamless Pipe	[[**]]
Print Graphics	[[**]]
Aluminum Extrusions	[[**]]
Steel Cylinders	[[**]]
Solar Panels	20.646
Total level of nullification and impairment	645.121

4 CONCLUSION

4.1. For the reasons set out above, we determine that the level of N/I of benefits accruing to China as a result of the WTO-inconsistent methodologies used by the United States in the CVD proceedings concerning products imported from China is USD 645.121 million *per annum*. Therefore, in accordance with Article 22 of the DSU, China may request authorization from the DSB to suspend concessions or other obligations at a level not exceeding USD 645.121 million *per annum*.

⁶⁴⁶ The simulated WTO-inconsistent and WTO-consistent market shares are presented in Annex C-11.