



FACT SHEET

Commerce Preliminarily Finds Dumping of Imports of Finished Carbon Steel Flanges from India, Italy, and Spain

- On January 27, 2017, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the antidumping duty (AD) investigations of imports of finished carbon steel flanges from India, Italy, and Spain.
- The AD law provides U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells an imported product in the United States at less than its fair value.
- In the India investigation, Commerce preliminarily found that dumping has occurred by mandatory respondent Norma (India) Limited and the collapsed affiliated entities USK Exports Private Limited; Uma Shanker Khandelwal & Co.; and Bansidhar Chiranjilal at a preliminary dumping margin of 8.58 percent. Commerce preliminarily found that dumping has occurred by mandatory respondent R.N. Gupta & Co., Ltd. at a preliminary dumping margin of 12.56 percent. Commerce calculated a preliminary dumping margin of 10.57 percent for all other producers/exporters in India.
- In the Italy investigation, Commerce preliminarily found that dumping has occurred by mandatory respondents Metalfar Prodotti Industriali S.p.A. (Metalfar) and the collapsed affiliated entities Officine Ambrogio Melesi & C. S.r.l. and ASFO S.p.A. (collectively, Melesi) at a preliminary dumping margin of 204.53 percent, as adverse facts available, due to their failure to respond to Commerce's requests for information. Commerce calculated a preliminary dumping margin of 79.17 percent for all other producers/exporters in Italy.
- In the Spain investigation, Commerce preliminarily found that dumping has occurred by mandatory respondent ULMA Forja, S.Coop at a preliminary dumping margin of 24.43 percent, as adverse facts available, due to its failure to respond to Commerce's requests for information. Commerce calculated a preliminary dumping margin of 18.81 percent for all other producers/exporters in Spain.
- As a result of the preliminary affirmative determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits based on these preliminary rates.
- The petitioners are Boltex Manufacturing Co., L.P. (TX) and Weldbend Corporation (IL).
- The scope of these investigations cover finished carbon steel flanges. Finished carbon steel flanges differ from unfinished carbon steel flanges (also known as carbon steel flange forgings) in that they have undergone further processing after forging, including, but not limited to, beveling, bore threading, center or step boring, face machining, taper boring, machining ends or surfaces, drilling

bolt holes, and/or de-burring or shot blasting. Any one of these post-forging processes suffices to render the forging into a finished carbon steel flange for purposes of this investigation. However, mere heat treatment of a carbon steel flange forging (without any other further processing after forging) does not render the forging into a finished carbon steel flange for purposes of these investigations.

While these finished carbon steel flanges are generally manufactured to specification ASME B16.5 or ASME B16.47 series A or series B, the scope is not limited to flanges produced under those specifications. All types of finished carbon steel flanges are included in the scope regardless of pipe size (which may or may not be expressed in inches of nominal pipe size), pressure class (usually, but not necessarily, expressed in pounds of pressure, *e.g.*, 150, 300, 400, 600, 900, 1500, 2500, *etc.*), type of face (*e.g.*, flat face, full face, raised face, *etc.*), configuration (*e.g.*, weld neck, slip on, socket weld, lap joint, threaded, *etc.*), wall thickness (usually, but not necessarily, expressed in inches), normalization, or whether or not heat treated. These carbon steel flanges either meet or exceed the requirements of the ASTM A105, ASTM A694, ASTM A181, ASTM A350 and ASTM A707 standards (or comparable foreign specifications). The scope includes any flanges produced to the above-referenced ASTM standards as currently stated or as may be amended. The term “carbon steel” under this scope is steel in which:

- (a) iron predominates, by weight, over each of the other contained elements;
- (b) the carbon content is 2 percent or less, by weight; and
- (c) none of the elements listed below exceeds the quantity, by weight, as indicated:
 - (i) 0.87 percent of aluminum;
 - (ii) 0.0105 percent of boron;
 - (iii) 10.10 percent of chromium;
 - (iv) 1.55 percent of columbium;
 - (v) 3.10 percent of copper;
 - (vi) 0.38 percent of lead;
 - (vii) 3.04 percent of manganese;
 - (viii) 2.05 percent of molybdenum;
 - (ix) 20.15 percent of nickel;
 - (x) 1.55 percent of niobium;
 - (xi) 0.20 percent of nitrogen;
 - (xii) 0.21 percent of phosphorus;
 - (xiii) 3.10 percent of silicon;
 - (xiv) 0.21 percent of sulfur;

- (xv) 1.05 percent of titanium;
- (xvi) 4.06 percent of tungsten;
- (xvii) 0.53 percent of vanadium; or
- (xviii) 0.015 percent of zirconium.

Finished carbon steel flanges are currently classified under subheadings 7307.91.5010 and 7307.91.5050 of the Harmonized Tariff Schedule of the United States (HTSUS). They may also be entered under HTSUS subheadings 7307.91.5030 and 7307.91.5070. The HTSUS subheadings are provided for convenience and customs purposes; the written description of the scope is dispositive.

- In 2015, imports of finished carbon steel flanges from India, Italy, and Spain were valued at an estimated \$90.6 million, \$31 million, and \$26.8 million, respectively.

NEXT STEPS

- Commerce is scheduled to announce its final determinations on or about April 12, 2017, unless the statutory deadline is extended pursuant to section 735(a) of the Tariff Act of 1930, as amended, and 19 CFR 351.210(b)(2).
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of finished carbon steel flanges from India, Italy, and/or Spain, materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD orders. If either Commerce's or the ITC's final determinations are negative, no AD orders will be issued. The ITC is scheduled to make its final injury determinations in May 2017.

PRELIMINARY DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
India	Norma (India) Limited/ USK Exports Private Limited/ Uma Shanker Khandelwal & Co./ Bansidhar Chiranjilal	8.58%
	R.N. Gupta & Co., Ltd.	12.56%
	All others	10.57%

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
Italy	Metalfar Prodotti Industriali S.p.A.	204.53%*
	Officine Ambrogio Melesi & C. S.r.l./ASFO S.p.A.	204.53%*
	All others	79.17%

* Based on adverse facts available

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
Spain	ULMA Forja, S.Coop	24.43%*
	All others	18.81%

* Based on adverse facts available

CASE CALENDAR:

EVENT	DATE
Petitions Filed	June 30, 2016
DOC Initiation Date	July 20, 2016
ITC Preliminary Determinations	August 12, 2016†
DOC Preliminary Determinations	January 26, 2017
DOC Final Determinations	April 11, 2017
ITC Final Determinations*	May 26, 2017
Issuance of Orders**	June 2, 2017

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day

*This will take place only in the event of a final affirmative determination by Commerce.

**This will take place only in the event of final affirmative determinations by Commerce and the ITC.

IMPORT STATISTICS:

INDIA	2013	2014	2015
Volume (metric tons)	60,900	55,500	67,400
Value (USD)	95,872,000	77,275,000	90,638,000
ITALY	2013	2014	2015
Volume (metric tons)	9,500	11,900	14,100
Value (USD)	25,023,000	30,580,000	31,555,000
SPAIN	2013	2014	2015
Volume (metric tons)	9,800	7,000	11,900
Value (USD)	27,200,000	19,769,000	26,755,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7307.91.5010 and 7307.91.5050).

Imports of finished carbon steel flanges may also enter under HTSUS 7307.91.5030 and 7307.91.5070. These HTSUS subheadings may cover a significant amount of non-subject merchandise and therefore have been excluded for purposes of reporting import statistics.