



## FACT SHEET

### **Commerce Issues Affirmative Preliminary Determination in the Countervailing Duty Investigation of Imports of Forged Steel Fittings from India**

- On March 24, 2020, the Department of Commerce (Commerce) announced the affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of forged steel fittings from the India.
- The CVD 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 unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of a CVD investigation, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods by foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce calculated a preliminary subsidy rate of 2.65 percent for Shakti Forge Industries Pvt. Ltd. and its cross-owned affiliate, Shakti Forge (collectively, Shakti). Commerce assigned a subsidy rate of 284.91 percent, based entirely on adverse facts available, to the mandatory respondents Nikoo Forge Pvt. Ltd. and Pan International, as well as several other producers/exporters that failed to provide information requested by Commerce. The preliminary subsidy rate calculated for all other producers/exporters is 2.65 percent.
- Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits from importers of forged steel fittings from India based on these preliminary rates.
- The petitioners are Bonney Forge Corporation (Mount Union, PA) and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union.
- The scope of this investigation can be found in Attachment 1.
- In 2018, imports of forged steel fittings from India were valued at an estimated \$92.6 million.
- The Preliminary Decision Memorandum is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. Please refer to case number C-533-892.

## NEXT STEPS

- Commerce is scheduled to announce its final determination on or about August 4, 2020, unless the deadline is extended.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of forged steel fittings from India materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. If either Commerce's or the ITC's final determinations are negative, no CVD order will be issued. The ITC is scheduled to make its final injury determination approximately 45 days after Commerce issues its final determination, if affirmative.

## PRELIMINARY SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
India	Shakti Forge Industries Pvt. Ltd. and Shakti Forge	2.65%
	Pan International	284.91%
	Nikoo Forge Pvt. Ltd.	284.91%
	Patton International Ltd.	284.91%
	Sage Metals Ltd.	284.91%
	Kirtanlal Steel Pvt. Ltd.	284.91%
	Disha Auto Components Pvt. Ltd.	284.91%
	Dynamic Flow Products	284.91%
	Sara Sae Pvt. Ltd.	284.91%
	Parveen Industries Pvt. Ltd.	284.91%

\*See the *Federal Register* notice for a full list of the company names.

## CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petition Filed	October 23, 2019
DOC Initiation Date	November 12, 2019
ITC Preliminary Determination*	December 9, 2019
DOC Preliminary Determination	March 23, 2020
DOC Final Determination	August 3, 2020
ITC Final Determination**	September 18, 2020
Issuance of Order***	September 25, 2020

NOTE: Commerce’s preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). These deadlines may be extended under certain circumstances.

\* If the ITC makes a negative preliminary determination of injury, the investigation is terminated.

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

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

**IMPORT STATISTICS:**

<b>India</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Volume (metric tons)	15,422	23,773	27,401
Value (USD)	46,222,682	70,477,644	92,598,759

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7307.92.3010, 7307.92.3030, 7307.92.9000, 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060).

## Attachment 1

The merchandise covered by this investigation is carbon and alloy forged steel fittings, whether unfinished (commonly known as blanks or rough forgings) or finished. Such fittings are made in a variety of shapes including, but not limited to, elbows, tees, crosses, laterals, couplings, reducers, caps, plugs, bushings, unions (including hammer unions), and outlets. Forged steel fittings are covered regardless of end finish, whether threaded, socket-weld or other end connections. The scope includes integrally reinforced forged branch outlet fittings, regardless of whether they have one or more ends that is a socket welding, threaded, butt welding end, or other end connections.

While these fittings are generally manufactured to specifications ASME B16.11, MSS SP-79, MSS SP-83, MSS-SP-97, ASTM A105, ASTM A350 and ASTM A182, the scope is not limited to fittings made to these specifications.

The term forged is an industry term used to describe a class of products included in applicable standards, and it does not reference an exclusive manufacturing process. Forged steel fittings are not manufactured from casings. Pursuant to the applicable standards, fittings may also be machined from bar stock or machined from seamless pipe and tube.

All types of forged steel fittings are included in the scope regardless of nominal pipe size (which may or may not be expressed in inches of nominal pipe size), pressure class rating (expressed in pounds of pressure, *e.g.*, 2,000 or 2M; 3,000 or 3M; 6,000 or 6M; 9,000 or 9M), wall thickness, and whether or not heat treated.

Excluded from this scope are all fittings entirely made of stainless steel. Also excluded are flanges, nipples, and all fittings that have a maximum pressure rating of 300 pounds per square inch/PSI or less.

Also excluded from the scope are fittings certified or made to the following standards, so long as the fittings are not also manufactured to the specifications of ASME B16.11, MSS SP-79, MSS SP-83, MSS SP-97, ASTM A105, ASTM A350 and ASTM A182:

- American Petroleum Institute (API) 5CT, API 5L, or API 11B;
- American Society of Mechanical Engineers (ASME) B16.9;
- Manufacturers Standardization Society (MSS) SP-75;
- Society of Automotive Engineering (SAE) J476, SAE J514, SAE J516, SAE J517, SAE J518, SAE J1026, SAE J1231, SAE J1453, SAE J1926, J2044 or SAE AS 35411;
- Hydraulic hose fittings (*e.g.*, fittings used in high pressure water cleaning applications, in the manufacture of hydraulic engines, to connect rubber dispensing hoses to a dispensing nozzle or grease fitting) made to ISO 12151-1, 12151-2, 12151-3, 12151-4, 12151-5, or 12151-6;
- Underwriter's Laboratories (UL) certified electrical conduit fittings;
- ASTM A153, A536, A576, or A865;
- Casing Conductor Connectors made to proprietary specifications;
- Machined steel parts (*e.g.*, couplers) that are not certified to any specifications in this scope description and that are not for connecting steel pipes for distributing gas and liquids;
- Oil country tubular goods (OCTG) connectors (*e.g.*, forged steel tubular connectors for API 5L pipes or OCTG for offshore oil and gas drilling and extraction);
- Military Specification (MIL) MIL-C-4109F and MIL-F-3541; and
- International Organization for Standardization (ISO) ISO6150-B.

To be excluded from the scope, products must have the appropriate standard or pressure markings and/or be accompanied by documentation showing product compliance to the applicable standard or pressure, *e.g.*, “API 5CT” mark and/or a mill certification report.

Subject carbon and alloy forged steel fittings are normally entered under Harmonized Tariff Schedule of the United States (HTSUS) 7307.92.3010, 7307.92.3030, 7307.92.9000, 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060. They may also be entered under HTSUS 7307.93.3010, 7307.93.3040, 7307.93.6000, 7307.93.9010, 7307.93.9040, 7307.93.9060, and 7326.19.0010.

The HTSUS subheadings and specifications are provided for convenience and customs purposes; the written description of the scope is dispositive.