



FACT SHEET

Commerce Finds Dumping and Subsidization of Imports of Stainless Steel Flanges from India

- On August 13, 2018, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of stainless steel flanges from India.
- The AD and CVD laws provide 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 and subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of an AD investigation, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of a CVD investigation, a countervailable subsidy is financial assistance from foreign governments that benefits the production of goods from 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 found Bebitz Flanges Works Pvt. Ltd. and its affiliates, including Viraj Profiles Limited, to be affiliated and collapsed as a single entity, the Bebitz/Viraj single entity. Commerce also assigned a dumping rate of 145.25 percent to the Bebitz/Viraj single entity. This rate is based on adverse facts available due to the respondent's failure to provide complete, accurate and reliable data. Commerce also found Echjay Forgings Pvt. Ltd. and its affiliates to be affiliated and collapsed as a single entity, the Echjay single entity. Commerce also assigned a dumping rate of 145.25 percent to the Echjay single entity based on adverse facts available due to the respondent's failure to provide complete responses to certain sections of Commerce's questionnaire. In addition, Commerce calculated a dumping rate of 19.16 percent for Chandan Steel Limited, which was also assigned to all other producers and exporters of stainless steel flanges from India. Finally, Commerce found affirmative critical circumstances for all mandatory respondents and for all other producers and exporters of stainless steel flanges from India.
- Commerce has calculated a subsidy rate of 256.16 percent for mandatory respondent Bebitz Flanges Works Pvt Ltd., based on adverse facts available due to the company's failure to fully cooperate in the investigation., and a subsidy rate of 4.92 percent for mandatory respondent Echjay Forgings Pvt. Ltd. Commerce determined a rate of 4.92 percent for all other Indian producers and exporters.
- Upon publication of the final affirmative AD determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect AD cash deposits equal to the applicable final weighted-average dumping rates. Further, as a result of the affirmative final CVD determination, if the U.S. International Trade Commission (ITC) makes an affirmative injury determination, Commerce will instruct CBP to resume collection of CVD cash deposits equal to the applicable subsidy rates.
- The petitioners are the Coalition of American Flange Producers and its individual members: Core Pipe Products, Inc. (Carol Stream, IL) and Maass Flange Corporation (Houston, TX).
- The products covered by these investigations are certain forged stainless steel flanges, whether unfinished, semi-finished, or finished (certain forged stainless steel flanges). Certain forged stainless steel flanges are

generally manufactured to, but not limited to, the material specification of ASTM/ASME A/SA182 or comparable domestic or foreign specifications. Certain forged stainless steel flanges are made in various grades such as, but not limited to, 304, 304L, 316, and 316L (or combinations thereof). The term “stainless steel” used in this scope refers to an alloy steel containing, by actual weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements.

- Unfinished stainless steel flanges possess the approximate shape of finished stainless steel flanges and have not yet been machined to final specification after the initial forging or like operations. These machining processes may include, but are not limited to, boring, facing, spot facing, drilling, tapering, threading, beveling, heating, or compressing. Semi-finished stainless steel flanges are unfinished stainless steel flanges that have undergone some machining processes.
- The scope includes six general types of flanges. They are: (1) weld neck, generally used in butt-weld line connection; (2) threaded, generally used for threaded line connections; (3) slip-on, generally used to slide over pipe; (4) lap joint, generally used with stub-ends/butt-weld line connections; (5) socket weld, generally used to fit pipe into a machine recession; and (6) blind, generally used to seal off a line. The sizes and descriptions of the flanges within the scope include all pressure classes of ASME B16.5 and range from one-half inch to twenty-four inches nominal pipe size. Specifically excluded from the scope of these investigations are cast stainless steel flanges. Cast stainless steel flanges generally are manufactured to specification ASTM A351.
- The country of origin for certain forged stainless steel flanges, whether unfinished, semi-finished, or finished is the country where the flange was forged. Subject merchandise includes stainless steel flanges as defined above that have been further processed in a third country. The processing includes, but is not limited to, boring, facing, spot facing, drilling, tapering, threading, beveling, heating, or compressing, and/or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the stainless steel flanges.
- Merchandise subject to the investigations is typically imported under headings 7307.21.1000 and 7307.21.5000 of the Harmonized Tariff Schedule of the United States (HTSUS). While HTSUS subheadings and ASTM specifications are provided for convenience and customs purposes, the written description of the scope is dispositive.
- In 2017, imports of stainless steel flanges from India were valued at an estimated \$44 million.
- The Final Decision Memoranda are 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 A-533-877 for the AD investigation and C-533-878 for the CVD investigation.

NEXT STEPS

- The ITC is scheduled to make its final determinations on or about September 24, 2018.
- If the ITC makes affirmative final determinations that imports of stainless steel flanges from India materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. In the event that a CVD order is issued and suspension of liquidation is resumed in the CVD investigation, Commerce will instruct CBP to require AD cash deposits adjusted by the amount of export subsidies, as appropriate. If the ITC makes negative determinations of injury, the investigations will be terminated.

FINAL DUMPING RATES:

COUNTRY	EXPORTER/PRODUCER	DUMPING RATE
India	Bebitz/Viraj Single Entity	145.25%
	Echjay Single Entity	145.25%
	Chandan Steel Limited	19.16%
	All Others	19.16%

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
India	Bebitz Flanges Works Pvt. Ltd.	256.16%
	Echjay Forgings Private Limited	4.92%
	All Others	4.92%

CASE CALENDAR:

EVENT	CVD	AD
Petitions Filed	August 16, 2017, 2017	August 16, 2017
DOC Initiation Date	September 5, 2017	September 5, 2017
ITC Preliminary Determinations	October 6, 2017	October 6, 2017
DOC Preliminary Determinations	January 16, 2018	March 19, 2018
DOC Final Determinations [^]	August 10, 2018	August 10, 2018
ITC Final Determinations	September 24, 2018	September 24, 2018
Issuance of Orders*	October 1, 2018	October 1, 2018

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)(1) of the Tariff Act of 1930, as amended (the Act). For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a) of the Act. These deadlines may be extended under certain circumstances.

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

[^] As explained in the Memorandum for the Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government" (January 23, 2018), Commerce has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from January 20, through January 22, 2018. Therefore, the final date for these investigations has been tolled by 3 days and all other deadlines have been adjusted accordingly.

IMPORT STATISTICS:

INDIA	2015	2016	2017
Volume (metric tons)	10,584	8,031	10,975
Value (USD)	54,813,020	32,091,472	44,024,854

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7307.21.1000 and 7307.21.5000)