



## FACT SHEET

### **Commerce Finds Dumping of Imports of Finished Carbon Steel Flanges from India and Italy and Finds Subsidization of Imports of Finished Carbon Steel Flanges from India**

- On June 23, 2017, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) investigations of imports of finished carbon steel flanges from India and Italy and affirmative final determination in the countervailing duty (CVD) investigation of imports of finished carbon 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 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 CVD investigations, 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
- In the India AD investigation, Commerce found that mandatory respondent Norma (India) Limited and the collapsed affiliated entities USK Exports Private Limited; Uma Shanker Khandelwal & Co.; and Bansidhar Chiranjilal were dumping at a final dumping margin of 11.32 percent. Commerce found that mandatory respondent R.N. Gupta & Co., Ltd. was dumping at a final dumping margin of 12.58 percent. Commerce calculated a final dumping margin of 11.95 percent for all other producers/exporters in India.
- In the Italy AD investigation, Commerce found that 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) were dumping at a final dumping margin of 204.53 percent. This margin was based on adverse facts available, due to the respondents' failure to respond to Commerce's requests for information. Commerce calculated a final dumping margin of 79.17 percent for all other producers/exporters in Italy.
- In the India CVD investigation, Commerce also calculated final subsidy rates of 5.66 percent and 9.11 percent for mandatory respondents Norma (India) Ltd. and its three cross-owned affiliates, and RN Gupta & Company Limited, respectively. These rates were partially based on adverse facts available. Commerce established a final subsidy rate of 7.39 percent for all other producers/exporters in India
- Upon publication of the final affirmative AD determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable final weighted-average dumping and subsidy rates.
- The petitioners are Boltex Manufacturing Co., L.P. (TX) and Weldbend Corporation (IL).

- The scope of this investigation covers 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 2016, imports of finished carbon steel flanges from India and Italy were valued at an estimated \$41 million and \$29.3 million, respectively.

#### **NEXT STEPS**

- The ITC is scheduled to make its final determination on or about August 7, 2017.
- If the ITC makes affirmative final determinations that imports of finished carbon steel flanges from India and/or Italy materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

#### **FINAL DUMPING MARGINS:**

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>DUMPING MARGINS</b>
<b>India</b>	<b>Norma (India) Limited/ USK Exports Private Limited/ Uma Shanker Khandelwal &amp; Co./ Bansidhar Chiranjilal</b>	<b>11.32%</b>
	<b>R.N. Gupta &amp; Co., Ltd.</b>	<b>12.58%</b>
	<b>All others</b>	<b>11.95%</b>

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>DUMPING MARGINS</b>
<b>Italy</b>	<b>Metalfar Prodotti Industriali S.p.A.</b>	<b>204.53%</b>
	<b>Officine Ambrogio Melesi &amp; C. S.r.l./ASFO S.p.A.</b>	<b>204.53%</b>
	<b>All others</b>	<b>79.17%</b>

**FINAL SUBSIDY RATES:**

<b>COUNTRY</b>	<b>EXPORTERS/PRODUCERS</b>	<b>SUBSIDY RATES</b>
<b>India</b>	<b>Norma (India) Ltd., USK Exports Private Limited, Uma Shanker Khandelwal &amp; Co., Bansidhar Chiranjilal</b>	<b>5.66%</b>
	<b>RN Gupta &amp; Company Limited</b>	<b>9.11%</b>
	<b>All others</b>	<b>7.39%</b>

## CASE CALENDAR:

EVENT	CVD	AD
Petitions Filed	June 30, 2016	June 30, 2016
DOC Initiation Date	July 20, 2016	July 20, 2016
ITC Preliminary Determinations	August 12, 2016	August 12, 2016
DOC Preliminary Determinations	November 21, 2016	January 26, 2017
DOC Final Determinations	June 23, 2017	June 23, 2017
ITC Final Determinations	August 7, 2017	August 7, 2017
Issuance of Orders*	August 14, 2017	August 7, 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.

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

## IMPORT STATISTICS:

INDIA	2014	2015	2016
Volume (metric tons)	55,499	67,446	37,245
Value (USD)	77,274,575	90,637,996	41,048,672
ITALY	2014	2015	2016
Volume (metric tons)	11,944	14,107	14,333
Value (USD)	30,580,371	31,554,867	29,345,812

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.