



FACT SHEET

Commerce Finds Dumping of Imports of Forged Steel Fittings from China and Italy and Countervailable Subsidization of Imports of Forged Steel Fittings from China

- On October 2, 2018, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) investigations of imports of forged steel fittings from China and Italy, and its affirmative final determination in the countervailing duty (CVD) investigation of imports of forged steel fittings from China.
- 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.
- In the China AD investigation, Commerce assigned a dumping rate of 8.00 percent for Both-Well (Taizhou) Steel Fittings, Co., Ltd. (Both-Well). Commerce found that the other mandatory respondent, Jiangsu Haida Pipe Fittings Group Company Ltd., comprises a single entity with its two affiliates, Yancheng L&W International Co., Ltd. and Haida Pipe Co., Ltd. Furthermore, Commerce determined this single entity to be part of the China-wide entity, to which Commerce assigned a dumping rate of 142.72 percent, based entirely on adverse facts available. Fourteen additional companies demonstrated that they are independent from Chinese government control; thus, Commerce granted these companies a separate rate, which is equal to the dumping rate calculated for Both-Well.
- In the Italy AD investigation, Commerce assigned a dumping rate of 80.20 percent to both mandatory respondents, M.E.G.A. S.p.A. and I.M.L. Industria Meccanica Ligure S.p.A., based entirely on adverse facts available. Commerce assigned a dumping rate of 49.43 percent to all other producers and exporters of forged steel fittings from Italy.
- In the China CVD investigation, Commerce has calculated a subsidy rate of 13.41 percent for mandatory respondent Both-Well (Taizhou) Steel Fittings Co., Ltd. Commerce determined a rate of 13.41 percent for all other Chinese producers and exporters.
- Upon publication of the final affirmative AD determinations, 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 Bonney Forge Corporation (Mount Union, PA), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (Pittsburgh, PA).
- The merchandise covered by these investigations 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 and outlets. Forged steel fittings are covered regardless of end finish, whether threaded, socket-weld 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 does not reference an exclusive manufacturing process. Forged steel fittings are not manufactured from casting. Pursuant to the applicable specifications, subject fittings may also be machined from bar stock or machined from seamless pipe and tube.

All types of 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 rating (usually, but not necessarily 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, butt weld fittings, butt weld outlets, nipples, and all fittings that have a maximum pressure rating of 300 pounds of pressure/PSI or less.

Also excluded are fittings certified to the following standards and specifications, 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
- 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
- Underwriter's Laboratories (UL) certified electrical conduit fittings
- ASTM A153, A536, A576, or A865
- Casing Conductor Connectors 16-42 inches in diameter made to proprietary specifications
- Military Specification (MIL) MIL-C-4109F and MIL-F-3541
- 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) 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060. They also may be entered under HTSUS 7307.92.3010, 7307.92.3030, 7307.92.9000, and 7326.19.0010. The HTSUS subheadings and specifications are provided for convenience and customs purposes; the written description of the scope is dispositive.

- In 2017, imports of forged steel fittings from China and Italy were valued at an estimated \$104.8 million and \$43.9 million, respectively.
- 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-570-067 for the China AD investigation and A-475-839 for the Italy AD investigation. Please refer to case number C-570-068 for the China CVD investigation.

NEXT STEPS

- The ITC is scheduled to make its final determinations on or about November 15, 2018.
- If the ITC makes affirmative final determinations that imports of forged steel fittings from China 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 RATES:

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
China	Both-Well (Taizhou) Steel Fittings Co., Ltd.	8.00%
	Separate Rate Companies*	8.00%
	China-Wide	142.72%

*1) Jining Dingguan Precision Parts Manufacturing Co., Ltd.; 2) Ningbo Long Teng Metal Manufacturing Co., Ltd.; 3) Ningbo Save Technology Co., Ltd.; 4) Yuyao Wanlei Pipe Fitting Manufacturing Co., Ltd.; 5) Qingdao Bestflow Industrial Co., Ltd.; 6) Jinan Mech Piping Technology Co., Ltd.; 7) Dalian Guangming Pipe Fittings Co., Ltd.; 8) Jiangsu Forged Pipe Fittings Co., Ltd.; 9) Xin Yi International Trade Co., Limited; 10) Yingkou Guangming Pipeline Industry Co., Ltd.; 11) Eaton Hydraulics (Luzhou) Co., Ltd.; 12) Eaton Hydraulics (Ningbo) Co., Ltd.; 13) Lianfa Stainless Steel Pipes & Valves (Qingyun) Co., Ltd.; 14) Q.C. Witness International Co., Ltd.

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
Italy	M.E.G.A. S.p.A.	80.20%
	I.M.L. Industria Meccanica Ligure S.p.A.	80.20%
	All Others	49.43%

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
China	Both-Well (Taizhou) Steel Fittings Co., Ltd.	13.41%
	All Others	13.41%

CASE CALENDAR:

EVENT	CVD	AD
Petitions Filed	October 5, 2017	October 5, 2017
DOC Initiation Date	October 25, 2017	October 25, 2017
ITC Preliminary Determinations	November 28, 2017	November 28, 2017
DOC Preliminary Determinations	March 7, 2018	May 7, 2018
DOC Final Determinations	October 1, 2018	October 1, 2018
ITC Final Determinations	November 15, 2018	November 15, 2018
Issuance of Orders*	November 23, 2018	November 23, 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.

IMPORT STATISTICS:

CHINA	2015	2016	2017
Volume (metric tons)	24,000	17,631	22,670
Value (USD)	104,602,968	78,409,503	104,849,656
ITALY	2015	2016	2017
Volume (metric tons)	7,581	5,229	13,973
Value (USD)	36,739,375	21,239,055	43,903,961

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060)