



## FACT SHEET

### **Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Forged Steel Fluid End Blocks from Germany, India, and Italy; and Countervailing Duty Investigation of Imports from China**

- On January 9, 2020, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of forged steel fluid end blocks from China (CVD only), Germany, India and Italy.
- 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 unfair subsidization 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 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 a foreign government 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.
- The petitioners are the FEB Fair Trade Coalition (Cleveland, OH), Ellwood City Forge Company, Ellwood Quality Steels Company, and Ellwood National Steel Company (collectively, the Ellwood Group) (Ellwood City, PA), and A. Finkl & Sons (Finkl Steel) (Chicago, IL).
- The scope of these investigations is provided in Appendix I.
- The petitioners estimated that 2018 imports of forged steel fluid end blocks China, Germany, India, and Italy were valued at approximately \$17.8 million, \$23.3 million, \$44.4 million, and \$46.4 million, respectively.
- The Initiation Decision Checklists 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 numbers: A-428-847 and C-428-848 for the AD and CVD investigations for Germany, respectively; A-533-893 and C-533-894 for the AD and CVD investigations for India, respectively; A-475-840 and C-475-841 for the AD and CVD investigations for Italy, respectively; and C-570-116 for the CVD investigation for China.

### **NEXT STEPS**

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before February 3, 2020.
- If the ITC determines that there is a reasonable indication that imports of forged steel fluid end blocks from China, Germany, India, and/or Italy materially injure, or threaten material injury to, the domestic

industry, the investigations will continue and Commerce will be scheduled to announce its preliminary CVD determinations on March 16, 2020, and its preliminary AD determinations on May 28, 2020, although these dates may be extended. If the ITC's determinations are negative, the investigations will be terminated.

**ALLEGED DUMPING MARGINS:**

COUNTRY	DUMPING MARGINS
Germany	83.37 percent
India	198.85 percent
Italy	87.04 percent

**ESTIMATED SUBSIDY RATE:**

COUNTRY	SUBSIDY RATE
China	Above <i>de minimis</i>
Germany	Above <i>de minimis</i>
India	Above <i>de minimis</i>
Italy	Above <i>de minimis</i>

\* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

**CASE CALENDAR:**

EVENT	CVD INVESTIGATIONS	AD INVESTIGATIONS
Petitions Filed	December 19, 2019	December 19, 2019
ITA Initiation Date	January 8, 2020	January 8, 2020
ITC Preliminary Determinations*	February 3, 2020†	February 3, 2020†
ITA Preliminary Determinations	March 13, 2020	May 27, 2020
ITA Final Determinations	May 27, 2020	August 10, 2020
ITC Final Determinations**	July 13, 2020†	September 24, 2020
Issuance of Orders***	July 20, 2020†	October 1, 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). For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

\* If the ITC makes negative preliminary determinations of injury, the investigations are terminated.

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

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

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

**IMPORT STATISTICS:**

<b>CHINA</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Volume (metric tons)	323,614	376,109	465,727
Value (USD)	1,017,992,403	1,199,682,156	1,559,400,970
<b>GERMANY</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Volume (metric tons)	18,660	23,779	26,023
Value (USD)	166,502,673	191,597,151	246,883,505
<b>INDIA</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Volume (metric tons)	25,488	24,378	24,688
Value (USD)	104,863,540	98,376,364	113,307,544
<b>ITALY</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Volume (metric tons)	24,349	28,644	26,501
Value (USD)	123,609,879	128,363,216	128,923,177

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7218.91.0030, 7218.99.0030, 7224.90.0015, 7224.90.0045, 7326.19.0010, 7326.90.8688, and 8413.91.9055).

Prior to 2017, imports of fluid end blocks also entered under 7326.90.8588. These HTSUS subheadings are basket categories and cover both subject and non-subject merchandise; therefore, the above import statistics may be significantly overstated. The petitioners estimated that imports of forged steel fluid end blocks China, Germany, India, and Italy were valued at an approximately \$17.8 million, \$23.3 million, \$44.4 million, and \$46.4 million, respectively, in 2018.

## Appendix I:

The scope of the investigations is as follows:

The products covered by these investigations are forged steel fluid end blocks (fluid end blocks), whether in finished or unfinished form, and which are typically used in the manufacture or service of hydraulic pumps.

The term “forged” is an industry term used to describe the grain texture of steel resulting from the application of localized compressive force. Illustrative forging standards include, but are not limited to, American Society for Testing and Materials (ASTM) specifications A668 and A788.

For purposes of these investigations, the term “steel” denotes metal containing the following chemical elements, by weight: (i) iron greater than or equal to 60 percent; (ii) nickel less than or equal to 8.5 percent; (iii) copper less than or equal to 6 percent; (iv) chromium greater than or equal to 0.4 percent, but less than or equal to 20 percent; and (v) molybdenum greater than or equal to 0.15 percent, but less than or equal to 3 percent. Illustrative steel standards include, but are not limited to, American Iron and Steel Institute (AISI) or Society of Automotive Engineers (SAE) grades 4130, 4135, 4140, 4320, 4330, 4340, 8630, 15-5, 17-4, F6NM, F22, F60, and XM25, as well as modified varieties of these grades.

The products covered by these investigations are: (1) cut-to-length fluid end blocks with an actual height (measured from its highest point) of 8 inches (203.2 mm) to 40 inches (1,016.0 mm), an actual width (measured from its widest point) of 8 inches (203.2 mm) to 40 inches (1,016.0 mm), and an actual length (measured from its longest point) of 11 inches (279.4 mm) to 75 inches (1,905.0 mm); and (2) strings of fluid end blocks with an actual height (measured from its highest point) of 8 inches (203.2 mm) to 40 inches (1,016.0 mm), an actual width (measured from its widest point) of 8 inches (203.2 mm) to 40 inches (1,016.0 mm), and an actual length (measured from its longest point) up to 360 inches (9,144.0 mm).

The products included in the scope of these investigations have a tensile strength of at least 70 KSI (measured in accordance with ASTM A370) and a hardness of at least 140 HBW (measured in accordance with ASTM E10).

A fluid end block may be imported in finished condition (*i.e.*, ready for incorporation into a pump fluid end assembly without further finishing operations) or unfinished condition (*i.e.*, forged but still requiring one or more finishing operations before it is ready for incorporation into a pump fluid end assembly). Such finishing operations may include: (1) heat treating; (2) milling one or more flat surfaces; (3) contour machining to custom shapes or dimensions; (4) drilling or boring holes; (5) threading holes; and/or (6) painting, varnishing, or coating.

The products included in the scope of these investigations may enter under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7218.91.0030, 7218.99.0030, 7224.90.0015, 7224.90.0045, 7326.19.0010, 7326.90.8688, or 8413.91.9055. While these HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigations is dispositive.