



FACT SHEET

Commerce Preliminarily Finds Dumping of Imports of Stainless Steel Flanges from China and India

- On March 20, 2018, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the antidumping duty (AD) investigations of imports of stainless steel flanges from China and India.
- The AD 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 injurious dumping 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 an imported product in the United States at less than fair value.
- In the China investigation, Commerce assigned a preliminary dumping rate of 257.11 percent for Shanxi Guanjiaying Flange Forging Group Co., Ltd. This rate is based on adverse facts available due to the respondent's failure to provide complete responses to certain sections of Commerce's questionnaire. Commerce determined a preliminary dumping rate of 257.11 percent for the China-wide entity, also based on adverse facts available. Commerce determined that the mandatory respondents, Hydro-Fluids Controls Limited, Songhai Flange Manufacturing Co., Ltd., and Dongtai QB Stainless Steel Co., Ltd., are not entitled to a separate rate, and assigned them the China-wide entity rate.
- In the India investigation, 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 preliminary 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 preliminary 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 preliminary dumping rate of 18.10 percent for Chandan Steel Limited, which was also assigned to all other producers and exporters of stainless steel flanges from India. Finally, Commerce preliminarily found affirmative critical circumstances for all mandatory respondents and for all other producers and exporters of stainless steel flanges from India.
- As a result of the preliminary affirmative determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary 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 2016, imports of stainless steel flanges from China and India were valued at an estimated \$16.3 million and \$32.1 million, respectively.
- 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 numbers A-570-064 for China and A-533-877 for India.

NEXT STEPS

- Commerce is scheduled to announce its final determinations on or about June 5, 2018.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of stainless steel flanges from China and India

materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD orders. If either Commerce or the ITC issue negative final determinations, no AD orders will be issued. The ITC is scheduled to make its final injury determinations approximately 45 days after Commerce issues its final determinations, if affirmative.

PRELIMINARY DUMPING RATES:

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
China	Shanxi Guanjiaying Flange Forging Group Co., Ltd	257.11%
	China-Wide	257.11%

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
India	Bebitz/Viraj Single Entity	145.25%
	Echjay Single Entity	145.25%
	Chandan Steel Limited	18.10%
	All Others	18.10%

CASE CALENDAR:

EVENT	DATE
Petitions Filed	August 16, 2017
DOC Initiations Date	September 5, 2017
ITC Preliminary Determinations	September 30, 2017
DOC Preliminary Determinations	March 19, 2018 [^]
DOC Final Determinations	June 5, 2018
ITC Final Determinations*	July 19, 2018
Issuance of Orders**	July 26, 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. These deadlines may be extended under certain circumstances.

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

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

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

[^] 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 preliminary date for these investigations has been tolled by 3 days and all other deadlines have been adjusted accordingly.

IMPORT STATISTICS:

CHINA	2014	2015	2016
Volume (metric tons)	3,596	3,260	2,454
Value (USD)	25,077,836	20,849,577	16,270,879
INDIA			
INDIA	2014	2015	2016
Volume (metric tons)	11,845	10,584	8,031
Value (USD)	64,831,014	54,813,020	32,091,472

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