



## FACT SHEET

### **Commerce Initiates Antidumping Duty Investigations of Imports of Finished Carbon Steel Flanges from India, Italy, and Spain, and Countervailing Duty Investigation of Imports of Finished Carbon Steel Flanges from India**

- On July 21, 2016, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) investigations of imports of finished carbon steel flanges from India, Italy, and Spain, and a 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 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 Boltex Manufacturing Co., L.P. (TX) and Weldbend Corporation (IL).
- The scope of these investigations 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 these investigations. 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 816.5 or ASME 816.47 series A or series 8, 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 2015, imports of finished carbon steel flanges from India, Italy, and Spain were valued at an estimated \$90.6 million, \$31 million, and \$26.8 million, respectively.

**NEXT STEPS**

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before August 15, 2016.
- If the ITC determines that there is a reasonable indication that imports of finished carbon steel flanges from India, Italy, and/or Spain materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to make its preliminary CVD determination in September 2016 and its preliminary AD determinations in December 2016, unless the statutory deadlines are extended. If the ITC’s preliminary determinations are negative, the investigations will be terminated.

**ALLEGED DUMPING MARGINS:**

COUNTRY	DUMPING MARGIN
India	17.80 – 37.84 percent
Italy	15.76 – 204.53 percent
Spain	13.19 – 24.43 percent

**ESTIMATED SUBSIDY RATE:**

COUNTRY	SUBSIDY RATE
India	Above <i>de minimis</i> *

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

**CASE CALENDAR:**

EVENT	AD INVESTIGATIONS	CVD INVESTIGATION
Petitions Filed	June 30, 2016	June 30, 2016
DOC Initiation Date	July 20, 2016	July 20, 2016
ITC Preliminary Determinations*	August 15, 2016†	August 15, 2016†
DOC Preliminary Determinations	December 7, 2016	September 23, 2016
DOC Final Determinations	February 21, 2017†	December 7, 2016

<b>ITC Final Determinations**</b>	<b>April 6, 2017</b>	<b>January 23, 2017†</b>
<b>Issuance of Orders***</b>	<b>April 13, 2017</b>	<b>January 30, 2017†</b>

NOTE: Commerce 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.

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

\* 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.

## IMPORT STATISTICS:

<b>INDIA</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Volume (metric tons)	60,900	55,500	67,400
Value (USD)	95,872,000	77,275,000	90,638,000
<b>ITALY</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Volume (metric tons)	9,500	11,900	14,100
Value (USD)	25,023,000	30,580,000	31,555,000
<b>SPAIN</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Volume (metric tons)	9,800	7,000	11,900
Value (USD)	27,200,000	19,769,000	26,755,000

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.