



FACT SHEET

Commerce Finds Dumping of Imports of Stainless Steel Flanges from the People's Republic of China

- On June 5, 2018, the Department of Commerce (Commerce) announced its affirmative final determination in the antidumping duty (AD) investigation of imports of stainless steel flanges from China.
- 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.
- Commerce assigned a dumping rate of 257.11 percent to 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 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.
- Upon publication of the final affirmative AD determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to collect cash deposits equal to the applicable final weighted-average dumping 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 this investigation 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 this investigation 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 investigation if performed in the country of manufacture of the stainless steel flanges.
- Merchandise subject to the investigation 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 2017, imports of stainless steel flanges from China were valued at an estimated \$21.8 million.
- Records regarding this investigation 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-570-064.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its final determination on or about July 19, 2018.
- If the ITC makes an affirmative final determination that imports of stainless steel flanges from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. If the ITC makes a negative determination of injury, the investigation will be terminated.

FINAL DUMPING MARGINS:

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

CASE CALENDAR:

| EVENT | DATE |
|-------------------------------|-----------------------------|
| Petition Filed | August 16, 2017 |
| DOC Initiation Date | September 5, 2017 |
| ITC Preliminary Determination | October 2, 2017 |
| DOC Preliminary Determination | March 19, 2017 [^] |
| DOC Final Determination | June 4, 2018 |
| ITC Final Determination | July 19, 2018 |
| Issuance of Order* | July 26, 2018 |

NOTE: Commerce 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.

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

[^] As explained in the Memorandum, "Deadlines Affected by the Shutdown of the Federal Government," dated January 23, 2018, Commerce 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 final determination date for this investigation has been tolled by three days and all other deadlines have been adjusted accordingly.

*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) | 3,260 | 2,454 | 2,964 |
| Value (USD) | 20,849,577 | 16,270,879 | 21,796,392 |

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