

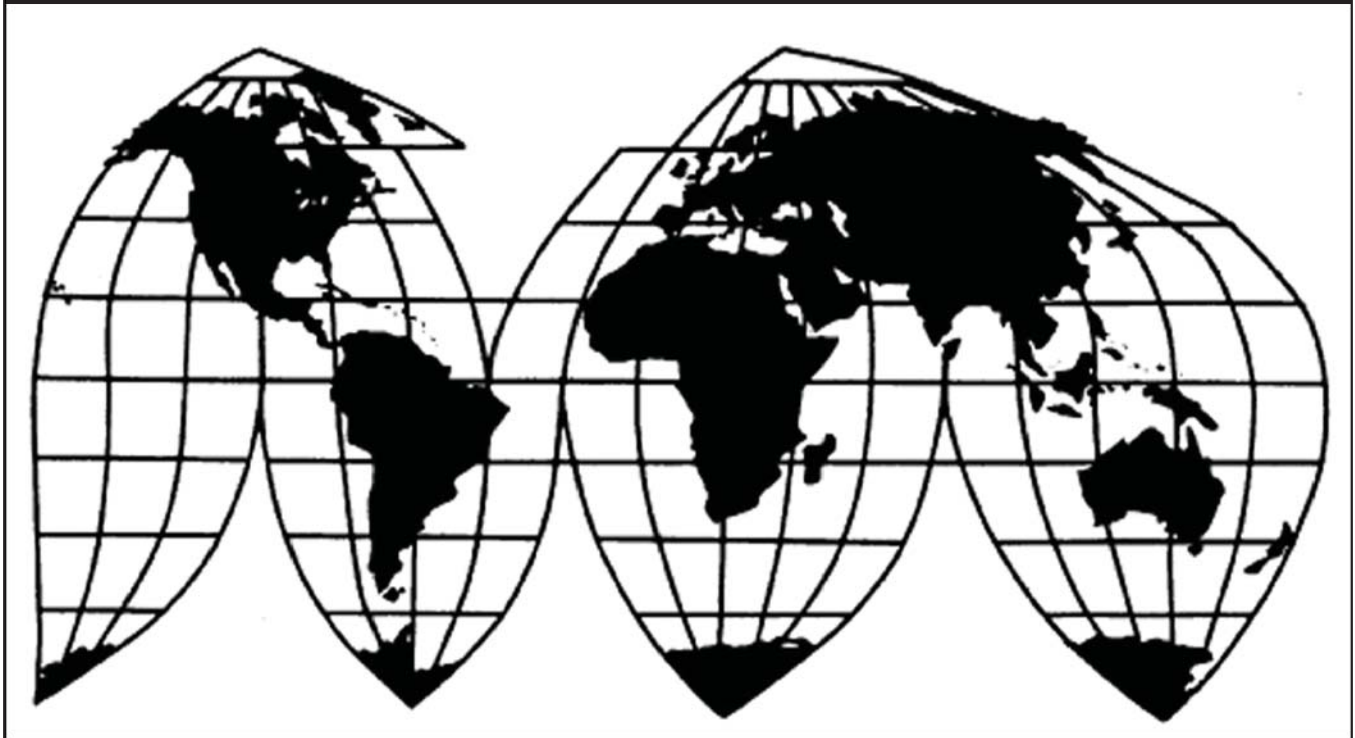
Finished Carbon Steel Flanges from India and Italy

Investigation Nos. 701-TA-563 and 731-TA-1331-1332 (Final)

Publication 4714

August 2017

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-563 and 731-TA-1331-1332 (Final)

Finished Carbon Steel Flanges from India and Italy

DETERMINATIONS

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that an industry in the United States is materially injured by reason of imports of finished carbon steel flanges from India and Italy, provided for in subheading 7307.91.50 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce (“Commerce”) to be sold in the United States at less than fair value (“LTFV”), and to be subsidized by the government of India.

BACKGROUND

The Commission, pursuant to sections 705(b) and 735(b) of the Act (19 U.S.C. 1671d(b) and 19 U.S.C. 1673d(b)), instituted these investigations effective June 30, 2016, following receipt of a petition filed with the Commission and Commerce by Weldbend Corporation, Argo, Illinois and Boltex Mfg. Co., L.P., Houston, Texas.. The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of finished carbon steel flanges from India were subsidized within the meaning of section 703(b) of the Act (19 U.S.C. 1671b(b)) and that imports of finished carbon steel flanges from India and Italy were sold at LTFV within the meaning of 733(b) of the Act (19 U.S.C. 1673b(b)). Notice of the scheduling of the final phase of the Commission’s investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on February 17, 2017 (82 FR 11056). The hearing was held in Washington, DC, on April 25, 2017, and all persons who requested the opportunity were permitted to appear in person or by counsel.

¹ The record is defined in sec. 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR 207.2(f)).

Views of the Commission

Based on the record in the final phase of these investigations, we determine that an industry in the United States is materially injured by reason of imports of finished carbon steel flanges (“flanges”) from India and Italy found by the U.S. Department of Commerce (“Commerce”) to be sold in the United States at less than fair value and imports of the subject merchandise from India that are allegedly subsidized by the government of India.

I. Background

These investigations and the accompanying investigation of flanges from Spain arose out of petitions that Weldbend Corporation (“Weldbend”) and Boltex Mfg. Co. L.P. (“Boltex”) (collectively “Petitioners”), domestic producers of flanges, filed on June 30, 2016.¹

Although the petitions for the investigations of flanges from India, Italy, and Spain were filed on the same day, the investigation schedules became staggered into two stages when Commerce extended its final determinations in its investigations of flanges from India and Italy, but not its investigation of flanges from Spain.² Pursuant to the statutory provision on staggered investigations, the record for the investigations on all subject countries closed at the same time as that for the investigation on subject imports from Spain, except that the final Commerce determinations on subject imports from the remaining two subject countries have been added to the record.³

II. Material Injury by Reason of Subject Imports

Pursuant to section 771(7)(G)(iii) of the Tariff Act of 1930, as amended (the “Act”), we are required to make our material injury determinations in the instant investigations on the basis of the same record as that in the investigation regarding imports from Spain.⁴ Therefore, in these investigations, we adopt the findings and analyses in our determination and views

¹ *Finished Carbon Steel Flanges from Spain*, Inv. No. 731-TA-1333 (Final), USITC Pub. 4696 at 3 (June 2017) (“*Flanges I*”).

² *Finished Carbon Steel Flanges from India: Preliminary Determination of Sales at Less than Fair Value and Postponement of Final Determination*, 82 Fed. Reg. 9719 (Dep’t of Commerce Feb. 8, 2017); *Finished Carbon Steel Flanges from Italy: Preliminary Determination of Sales at Less than Fair Value and Postponement of Final Determination*, 82 Fed. Reg. 9711 (Dep’t of Commerce Feb. 8, 2017); *Finished Carbon Steel Flanges from Spain: Preliminary Determination of Sales at Less than Fair Value*, 82 Fed. Reg. 9723 (Dep’t of Commerce Feb. 8, 2017).

³ See 19 U.S.C. § 1677(7)(g)(iii). The record for the investigations on subject imports from India and Italy closed on July 11, 2017. No party filed final comments regarding Commerce’s final determinations regarding flanges from India and Italy. Confidential Report (“CR”) INV-PP-098 at I-3 n.12 Public Report (“PR”) at I-3 n. 12.

⁴ 19 U.S.C. § 1677(7)(G)(iii).

regarding subject imports from Spain with respect to the issues of domestic like product, domestic industry, cumulation, and material injury by reason of cumulated subject imports.⁵

Accordingly, we determine that the domestic industry producing flanges is materially injured by reason of subject imports from India and Italy.⁶

III. Conclusion

For the reasons stated above, we determine that an industry in the United States is materially injured by reason of imports of flanges from India and Italy found by Commerce to be sold in the United States at less than fair value and imports of the subject merchandise from India that are allegedly subsidized by the government of India.

⁵ See generally *Flanges I*, USITC Pub. 4696. As discussed in *Flanges I*, we observe that these investigations involve final dumping findings concerning imports from three subject countries but that only subject imports from India are subject to a countervailing duty investigation. We have previously explained why we are continuing our longstanding practice of cross-cumulating dumped and subsidized imports. *Flanges I*, USITC Pub. 4696 at 12 n.39 (citing *Polyethylene Terephthalate Resin from Canada, China, India, and Oman*, Inv. Nos. 701-TA-531-532 and 731-TA-1270-1273 (Final), USITC Pub. 4604 at 9-11 (Apr. 2016)).

⁶ Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible. 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); see also 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)). The statute further provides that subject imports from a single country which comprise less than 3 percent of total such imports of the product may not be considered negligible if there are several countries subject to investigation with negligible imports and the sum of such imports from all those countries collectively accounts for more than 7 percent of the volume of all such merchandise imported into the United States. 19 U.S.C. § 1677(24)(A)(ii). In the case of countervailing duty investigations involving developing countries (as designated by the United States Trade Representative), the statute indicates that the negligibility limits are 4 percent and 9 percent, rather than 3 percent and 7 percent. 19 U.S.C. § 1677(24)(B).

In the twelve months preceding the filing of the petitions (June 2015 through May 2016), subject imports from India accounted for 54.5 percent of the total quantity of imports of flanges and subject imports from Italy accounted for 13.9 percent. See *Flanges I*, USITC Pub. 4696 at IV-8. Accordingly, we find that subject imports from India and Italy are not negligible.

The statute additionally instructs the Commission to consider the “magnitude of the dumping margin” in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determinations, Commerce found antidumping duty margins ranging from 11.32 percent to 12.58 percent for imports from India and 79.17 percent to 204.53 percent for imports from Italy. *Finished Carbon Steel Flanges from India: Final Determination of Sales at Less than Fair Value and Postponement of Final Determination*, 82 Fed. Reg. 29483 (Dep’t of Commerce June 29, 2017); *Finished Carbon Steel Flanges from Italy: Final Determination of Sales at Less than Fair Value and Postponement of Final Determination*, 82 Fed. Reg. 29481 (Dep’t of Commerce June 29, 2017). Our discussion of how we have considered the dumping margins in these investigations is described in our impact analysis in *Flanges I*, USITC Pub. 4696 at 23 n.116.

PART I: INTRODUCTION

BACKGROUND

These investigations result from petitions filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by Weldbend Corporation (“Weldbend”), Argo, Illinois and Boltex Mfg. Co., L.P. (“Boltex”), Houston, Texas on June 30, 2016, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of finished carbon steel flanges (“flanges”)¹ from India and less-than-fair-value (“LTFV”) imports of flanges from India, Italy, and Spain.² On November 29, 2016, Commerce preliminarily determined that imports of flanges from India were being subsidized.³ On February 8, 2017, Commerce preliminarily determined that that imports of flanges from India,⁴ Italy,⁵ and Spain⁶ were being sold in the United States at LTFV. On April 17, 2017, Commerce published its final determination that imports of flanges from Spain were being sold in the United States at LTFV.⁷ On June 7, 2017, the Commission determined that an industry in the United States is materially injured by reason of imports of finished carbon steel flanges from Spain.⁸ On June 29, 2017, Commerce published its final determinations that imports of flanges from India were being subsidized⁹ and that imports of flanges from India and Italy were being sold in the United States

¹ See the section entitled “The Subject Merchandise” in *Part I* of this report for a complete description of the merchandise subject in this proceeding.

² The Commission issued its determination and views with respect to Spain on June 7, 2017. *Finished Carbon Steel Flanges from Spain: Determination*, 82 FR 27075, June 13, 2017.

³ *Finished Carbon Steel Flanges from India: Preliminary Affirmative Countervailing Duty Determination*, 81 FR 85928, November 29, 2016.

⁴ *Finished Carbon Steel Flanges from India: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 82 FR 9719, February 8 2017.

⁵ *Finished Carbon Steel Flanges from Italy: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 82 FR 9711, February 8, 2017.

⁶ *Finished Carbon Steel Flanges from Spain: Preliminary Determination of Sales at Less Than Fair Value*, 82 FR 9723, February 8, 2017.

⁷ *Finished Carbon Steel Flanges from Spain: Final Determination of Sales at Less Than Fair Value*, 82 FR 18108, April 17, 2017.

⁸ *Finished Carbon Steel Flanges from Spain, Determination*, 82 FR 27075, June 13, 2017.

⁹ *Finished Carbon Steel Flanges from India: Final Affirmative Countervailing Duty Determination*, 82 FR 29479, June 29, 2017.

at LTFV.¹⁰ The following tabulation provides information relating to the background of these investigations.¹¹

Effective date	Action
June 30, 2016	Petition filed with Commerce and the Commission; institution of the Commission's investigation (81 FR 44328, July 7, 2016)
July 20, 2016	Commerce's notice of initiation (81 FR 49619 and 49625, July 28, 2016)
August 15, 2016	Commission's preliminary determination (81 FR 55482, August 19, 2016)
November 29, 2016	Commerce's preliminary countervailing duty determination on imports from India (81 FR 85928)
February 8, 2017	Commerce's preliminary antidumping duty determinations on imports from India, Italy, and Spain (82 FR 9711, 9719, and 9723)
February 8, 2017	Scheduling of final phase of Commission investigation (82 FR 11056, February 17, 2017)
April 17, 2017	Commerce's final antidumping duty determination on imports from Spain (82 FR 18108)
April 25, 2017	Commission's hearing
May 24, 2017	Commission's vote on Spain
June 7, 2017	Commission's determination and views on Spain (82 FR 27075, June 13, 2017)
June 23, 2017	Commerce's preliminary countervailing duty determination on imports from India (82 FR 29479)
June 23, 2017	Commerce's final antidumping duty determinations on imports from India and Italy (82 FR 29481 and 29483)
July 27, 2017	Commission's vote on India and Italy
August 14, 2017	Commission's determinations and views on India and Italy

¹⁰ *Finished Carbon Steel Flanges from India: Final Determination of Sales at Less Than Fair Value*, 82 FR 29483, June 29, 2017; *Finished Carbon Steel Flanges from Italy: Final Determination of Sales at Less Than Fair Value*, 82 FR 29481, June 29, 2017.

¹¹ Pertinent *Federal Register* notices are referenced in appendix A, and may be found at the Commission's website (www.usitc.gov).

The information contained in this report is intended to be used in conjunction with data presented in the Commission's report on *Finished Carbon Steel Flanges from Spain, Investigation No. 731-TA-1333 (Final)*, USITC Publication 4696, June 2017, and its corresponding confidential version contained in memorandum No. INV-PP-063, Investigation Nos. 701-TA-563 and 731-TA-1331-1333 (Final): *Finished Carbon Steel Flanges from India, Italy, and Spain*. No new information except for Commerce's final determinations regarding flanges from India and Italy is included in the record for this proceeding.¹²

NATURE AND EXTENT OF SUBSIDIES AND SALES AT LTFV

Subsidies

On June 29, 2017, Commerce published a notice in the *Federal Register* of its final determination of countervailable subsidies for producers and exporters of flanges from India.¹³ Table I-1 presents Commerce's findings of subsidization of flanges in India.

Table I-1
Flanges: Commerce's final subsidy determination with respect to imports from India

Firm	Final countervailable subsidy margin (percent)
Bansidhar Chiranjilal	5.66
Norma (India) Limited	5.66
R.N. Gupta & Company Limited	9.11
Uma Shanker Khandelwal & Co.	5.66
USK Exports Private Limited	5.66
All others	7.39

Source: *Finished Carbon Steel Flanges from India: Final Affirmative Countervailing Duty Determination*, 82 FR 29479, June 29, 2017.

¹² No party comments were filed concerning Commerce's determinations regarding India and Italy.

¹³ *Finished Carbon Steel Flanges from India: Final Affirmative Countervailing Duty Determination*, 82 FR 29479, June 29, 2017.

Commerce determined the following five government programs in India to be countervailable:¹⁴

1. Duty Drawback Program
2. Export Promotion of Capital Goods Scheme
3. Merchandise Export from India Scheme
4. Interest Equalization Scheme
5. Status Holder Incentive Scheme

Sales at LTFV

On June 29, 2017, Commerce published a notice in the *Federal Register* of its final determinations of sales at LTFV with respect to imports from India and Italy.¹⁵ Table I-2 presents Commerce's dumping margins with respect to imports of flanges from India and Italy.

Table I-2
Flanges: Commerce's final weighted-average LTFV margins with respect to imports from India and Italy

Country	Firm	Final dumping margin (percent)
India	Bansidhar Chiranjilal	11.32
	Norma (India) Limited	11.32
	R.N. Gupta & Company Limited	12.58
	Uma Shanker Khandelwal & Co.	11.32
	USK Exports Private Limited	11.32
	All others	11.95
Italy	Metalfar Prodotti Industriali S.p.A	204.53
	Officine Ambrogio Melesi & C. S.r.l.	204.53
	ASFO S.p.A	204.53
	All others	79.17

Source: *Finished Carbon Steel Flanges from India: Final Determination of Sales at Less Than Fair Value*, 82 FR 29483, June 29, 2017; *Finished Carbon Steel Flanges from Italy: Final Determination of Sales at Less Than Fair Value*, 82 FR 29481, June 29, 2017.

¹⁴ Department of Commerce, *Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Finished Carbon Steel Flanges from India*, Inv. No. C-533-872, June 23, 2017.

¹⁵ *Finished Carbon Steel Flanges from India: Final Determination of Sales at Less Than Fair Value*, 82 FR 29483, June 29, 2017; *Finished Carbon Steel Flanges from Italy: Final Determination of Sales at Less Than Fair Value*, 82 FR 29481, June 29, 2017.

APPENDIX A

***FEDERAL REGISTER* NOTICES**

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
81 FR 44328 July 7, 2016	<i>Finished Carbon Steel Flanges from India, Italy, and Spain; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations</i>	https://www.federalregister.gov/d/2016-16057
81 FR 49619 July 28, 2016	<i>Finished Carbon Steel Flanges from India, Italy, and Spain: Initiation of Less-Than-Fair-Value Investigations</i>	https://federalregister.gov/a/2016-17931
81 FR 49625 July 28, 2016	<i>Finished Carbon Steel Flanges from India: Initiation of Countervailing Duty Investigation</i>	https://federalregister.gov/a/2016-17929
81 FR 55482 August 19, 2016	<i>Finished Carbon Steel Flanges from India, Italy, and Spain; Determinations</i>	https://www.federalregister.gov/d/2016-19816
81 FR 85928 November 29, 2016	<i>Finished Carbon Steel Flanges from India: Preliminary Affirmative Countervailing Duty Determination</i>	https://www.federalregister.gov/d/2016-28704
82 FR 9711 February 8, 2017	<i>Finished Carbon Steel Flanges from Italy: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination</i>	https://www.federalregister.gov/d/2017-02605

Citation	Title	Link
82 FR 9719 February 8, 2017	<i>Finished Carbon Steel Flanges from India: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination</i>	https://www.federalregister.gov/d/2017-02607
82 FR 9723 February 8, 2017	<i>Finished Carbon Steel Flanges from Spain: Preliminary Determination of Sales at Less Than Fair Value</i>	https://www.federalregister.gov/d/2017-02606
82 FR 11056 February 17, 2017	<i>Finished Carbon Steel Flanges from India, Italy and Spain; Scheduling of the Final Phase of Countervailing Duty and Antidumping Duty Investigations</i>	https://www.federalregister.gov/d/2017-03150
82 FR 18108 April 17, 2017	<i>Finished Carbon Steel Flanges from Spain: Final Determination of Sales at Less Than Fair Value</i>	https://www.federalregister.gov/d/2017-07680
82 FR 27075 June 13, 2017	<i>Finished Carbon Steel Flanges from Spain; Determination</i>	https://www.federalregister.gov/d/2017-12159
82 FR 29479 June 29, 2017	<i>Finished Carbon Steel Flanges from India: Final Affirmative Countervailing Duty Determination</i>	https://www.federalregister.gov/d/2017-13628
82 FR 29481 June 29, 2017	<i>Finished Carbon Steel Flanges from Italy: Final Determination of Sales at Less Than Fair Value</i>	https://www.federalregister.gov/d/2017-13629
82 FR 29483 June 29, 2017	<i>Finished Carbon Steel Flanges from India: Final Determination of Sales at Less Than Fair Value</i>	https://www.federalregister.gov/d/2017-13627
82 FR 32012 July 11, 2017	<i>Finished Carbon Steel Flanges from India and Italy; Supplemental Schedule for the Subject Investigations</i>	https://www.federalregister.gov/d/2017-14498