Finished Carbon Steel Flanges from India, Italy, and Spain

Investigation Nos. 701-TA-563 and 731-TA-1331-1333 (Review)

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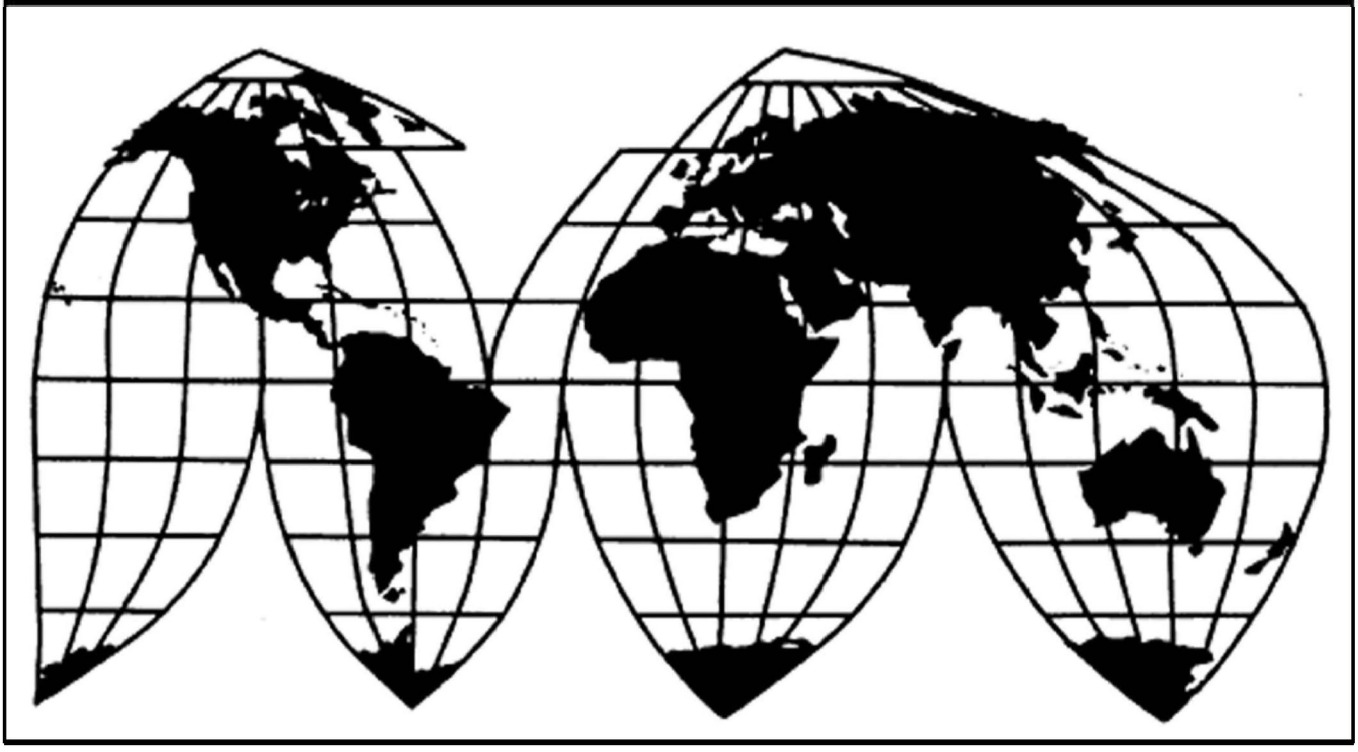
U.S. International Trade Commission



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November 2022

CONTENTS

Page

Appendixes

Note.—Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets or by parallel lines in confidential reports and is deleted and replaced with asterisks in public reports.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-563 and 731-TA-1331-1333 (Review)

Finished Carbon Steel Flanges from India, Italy, and Spain

DETERMINATIONS

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that revocation of the countervailing duty order on finished carbon steel flanges from India and the antidumping duty orders on finished carbon steel flanges from India, Italy, and Spain would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted these reviews on May 2, 2022 (87 FR 25662) and determined on August 5, 2022 that it would conduct expedited reviews (87 FR 63798, October 20, 2022).

Issued:

[1] The record is defined in § 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 these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Tariff Act"), that revocation of the countervailing duty order on finished carbon steel flanges ("flanges") from India and the antidumping duty orders on flanges from India, Italy, and Spain would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

The Original Investigations. The Commission instituted the original investigations effective June 30, 2016, in response to petitions filed by Weldbed Corporation ("Weldbed") and Boltex Mfg. Co. LP ("Boltex"), domestic producers of flanges.[1] In June 2017, the Commission determined that an industry in the United States was materially injured by reason of imports of flanges from Spain that were being sold at less than fair value.[2] In its determination with respect to subject imports from Spain, the Commission analyzed subject imports from India, Italy, and Spain on a cumulated basis for its analysis of whether there was material injury by reason of subject imports.[3] In August 2017, the Commission determined that an industry in the United States was materially injured by reason of imports of flanges from India that were being sold at less than fair value and subsidized by the government of India, and imports of flanges from Italy that were being sold at less than fair value.[4] Commerce issued an antidumping duty order on imports from Spain on June 14, 2017,[5] antidumping duty orders on imports from India

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[1] *Finished Carbon Steel Flanges From India, Italy, and Spain; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*, 81 Fed. Reg. 44,328 (Jul. 7, 2016).

[2] *Finished Carbon Steel Flanges From Spain*, 82 Fed. Reg. 27,075 (June 13, 2017).

[3] *Finished Carbon Steel Flanges from Spain*, Inv. No. 731-TA 1333 (Final), USITC Pub. 4696 (June 2017) ("*Original Spain Determination*").

[4] *Finished Carbon Steel Flanges From India and Italy; Determinations,* 82 Fed. Reg. 39,133 (Aug. 17, 2017). The Commission explained that although the petitions for the investigations were filed on the same day, the investigation schedules became staggered into stages when the U.S. Department of Commerce ("Commerce") extended its investigations of flanges from India and Italy, but not its investigation of flanges from Spain. *Finished Carbon Steel Flanges From India and Italy,* Inv. Nos. 701-TA-563 and 731-TA-1331-1332 (Final), USITC Pub. 4714 at 3 (Aug. 2017). In its determinations with respect to flanges from India and Italy, the Commission adopted its findings and analyses in its determination 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. *Id.* at 4.

[5] *Finished Carbon Steel Flanges From Spain: Antidumping Duty Order*, 82 Fed. Reg. 27,229 (June 13, 2017).

and Italy on August 24, 2017,[6] and a countervailing duty order on imports from India on August 24, 2017.[7]

The Current Reviews. The Commission instituted these five-year reviews on May 2, 2022.[8] The Commission received a single response to the notice of institution filed jointly by Weldbed and Boltex (collectively "Domestic Producers").[9] Domestic Producers also submitted comments on adequacy and comments supporting affirmative determinations.[10] No respondent interested party filed a response to the notice of institution or otherwise participated in these reviews. On August 5, 2022, the Commission determined that the domestic interested party group response to its notice of institution was adequate and that the respondent interested party group response was inadequate.[11] The Commission did not find any other circumstances that would warrant conducting full reviews. Accordingly, the Commission determined that it would conduct expedited reviews.[12]

U.S. industry data are based on information supplied by Domestic Producers in their response to the notice of institution, accounting for an estimated *** percent of domestic production of flanges in 2021.[13] U.S. import data and related information are based on official import statistics.[14] Foreign industry data and related information are based on information from the original investigations, information supplied by Domestic Producers in these reviews,

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[6] *Finished Carbon Steel Flanges From India and Italy: Antidumping Duty Orders*, 82 Fed. Reg. 40, 136 (Aug. 24, 2017).

[7] *Finished Carbon Steel Flanges From India: Countervailing Duty Order*, 82 Fed. Reg. 40, 138 (Aug. 24, 2017).

[8] *Finished Carbon Steel Flanges From India, Italy, and Spain; Institution of Five-Year Reviews*, 87 Fed. Reg. 25,662 (May 2, 2022).

[9] Domestic Producers' Substantive Response to the Notice of Institution, June 1, 2022 ("Substantive Response"); *see also* Domestic Producers' Response to Notice of Institution – Supplemental Information, June 16, 2022 ("Supplemental Response"). After a reorganization In 2020, Boltex Manufacturing Co. LP became Boltex Manufacturing Company Inc. *See* June 1, 2022 cover letter from Matthew J. McConkey of Mayer Brown LLP to Commission Secretary Barton at 1 n.1.

[10] Domestic Producers' Comments on Adequacy, July 14, 2022; Domestic Producers' Final Comments, October 21, 2022.

[11] *Finished Carbon Steel Flanges From India, Italy, and Spain; Scheduling of Expedited Five-Year Reviews*, 87 Fed. Reg. 63,798, 63,799 (Oct. 20, 2022).

[12] *Finished Carbon Steel Flanges From India, Italy, and Spain; Scheduling of Expedited Five-Year Reviews*, 87 Fed. Reg. 63,798, 63,799 (Oct. 20, 2022).

[13] Confidential Report ("CR") at Table I-2; Public Report ("PR") at Table I-2; *see* Domestic Producers' Supplemental Response at 2-3.

[14] *See* CR/PR at Table I-6.

and publicly available information gathered by the Commission. In addition, five firms responded to the Commission's adequacy phase questionnaire.[15]

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the "domestic like product" and the "industry."[16] The Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."[17] The Commission's practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.[18]

1. The Subject Merchandise

Commerce has defined the imported merchandise within the scope of the orders under review as follows:

> The scope of the Order 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 deburring or shot blasting. Any one of these post-forging processes suffices to render the forging into a finished carbon steel flange for purposes of this review. However, mere heat treatment of a carbon steel flange forging

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[15] The five responding purchasers were ***. CR/PR at D-3.

[16] 19 U.S.C. § 1677(4)(A).

[17] 19 U.S.C. § 1677(10); *see*, *e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

[18] *See*, *e.g.*, *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

(without any other further processing after forging) does not render the forging into a finished carbon steel flange for purposes of this Order.

While these finished carbon steel flanges are generally manufactured to specification ASME B16.5 or ASME B16.47 series A or series B, 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) (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.[19]

Flanges are used for connecting pipes, valves, pumps, and other equipment to form a piping system. They provide easy access for cleaning, inspection, or modification.[20]

2. The Original Investigations

In the preliminary phase of the original investigations, the Commission defined a single domestic like product consisting of finished carbon steel flanges, coextensive with the scope of the investigations. The Commission found that all flanges shared the same basic physical characteristics and general end uses, and were generally made using distinct manufacturing facilities, production processes and employees. It found that almost all domestically produced flanges were sold in the same channels of distribution through distributors. The Commission further found that carbon steel flanges were perceived by producers and customers to be a distinct product, separate from flanges made of other materials, and were generally not interchangeable with flanges made of other materials.[21] The Commission rejected an argument by U.S. importer Silbo Industries, Inc. ("Silbo") that flanges produced in India that were not on approved manufacturers lists ("AMLs") should be defined as a separate domestic like product from flanges produced in the United States, Italy and Spain that were on AMLs. The Commission found that the record provided no basis for finding a clear dividing line between domestically produced flanges produced by manufacturers on an AML and those produced by "unapproved" producers; moreover, it found that all U.S. producers were on multiple AMLs, and thus there was no reported domestic production of flanges by "unapproved" U.S.

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[19] *See* Department of Commerce Memorandum from James Maeder to Lisa W. Wang, *Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Review of the Countervailing Duty Order on Finished Carbon Steel Flanges from India*, August 25, 2022, at 2-3 (EDIS Document No. 782118) (footnotes omitted); *see also* Department of Commerce Memorandum from James Maeder to Lisa W. Wang, *Issues and Decision Memorandum for the Expedited Sunset Reviews of the Antidumping Duty Orders on Finished Carbon Steel Flanges from India, Italy, and Spain*, August 23, 2022, at 2-3 (EDIS Document No. 782118). The scope remains unchanged from the original investigations.

[20] CR/PR at I-7 to I-8.

[21] *Finished Carbon Steel Flanges From India, Italy, and Spain*, Inv. Nos. 701-TA-563 and 731-TA-1331-1333 (Preliminary), USITC Pub. 4631 at 9 (Aug. 2016) ("*Original Preliminary Determinations*").

producers.[22] Accordingly, it defined a single domestic like product coextensive with the scope of the investigations.

In the final phase of the original investigations, the Commission again defined a single domestic like product consisting of flanges, coextensive with the scope of the investigations. The Commission rejected the argument of U.S. importer Forgital U.S.A. and its affiliated subject Italian producer Forgital S.p.A. (collectively "Forgital") that the Commission should define two separate domestic like products consisting of "standard flanges" and "specialized and custom" flanges. The Commission found that Forgital's proposed definition of a separate domestic like product was not amenable to data collection that would allow the Commission to determine whether there was domestic production of its proposed separate domestic like product.[23]

3. The Current Reviews

In these expedited reviews, there is no new information on the record suggesting that the characteristics and uses of domestically produced flanges have changed since the original investigations,[24] and Domestic Producers agree with the domestic like product definition in the original investigations.[25] We consequently define the domestic like product as flanges, coextensive with Commerce's scope.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[26] In defining the domestic industry, the Commission's general practice has been

[22] *Original Preliminary Determinations,* USITC Pub. 4631 at 7-9. The Commission also stated that Silbo's argument that unapproved flanges produced in India should be defined as a separate domestic like product contemplated the Commission defining as a domestic like product a product not produced in the United States, an action that the statute did not permit. *Id.* at 7-8.

[23] *Original Spain Determination*, USITC Pub. 4696 at 7-8. The Commission also found that this argument was untimely, stating that Forgital had failed to raise it during the Commission's comment period on draft questionnaires, depriving the Commission of the opportunity to collect information in a timely manner and the other parties of a meaningful opportunity to address the issue. *Id.*

[24] *See generally* CR/PR at I-7 to I-11.

[25] Domestic Producers' Substantive Response at 21.

[26] 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. *See* 19 U.S.C. § 1677.

to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

The Original Investigations. The Commission defined a single domestic industry consisting of all domestic producers of flanges, except for ***, which it excluded from the domestic industry pursuant to the related parties provision.[27] The Commission found that domestic producer *** was subject to the related parties provision because it imported subject merchandise during the period of investigation ("POI").[28] The Commission found that appropriate circumstances existed to exclude *** from the domestic industry because ***.[29]

The Current Reviews. In their substantive response to the notice of institution, Domestic Producers did not identify any known related parties in these reviews.[30] There is no other information in the record indicating that any domestic producer qualifies as a related party.[31]

Accordingly, consistent with our definition of the domestic like product, we define the domestic industry to include all domestic producers of flanges.

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[27] *Original Spain Determination*, USITC Pub. 4696 at 10; Confidential Original Spain Determination at 13 (EDIS Document No. 774136).

[28] *Original Spain Determination*, USITC Pub. 4696 at 9-10; Confidential Original Spain Determination at 12-13 (EDIS Document No. 774136). The Commission found that two other domestic producers might be related parties because of their relationships with exporters or importers of subject merchandise, in that domestic producer *** was affiliated with ***, an exporter of subject merchandise from Italy, while domestic producer *** was affiliated with ***, both an exporter of subject merchandise from Italy and a U.S. importer. However, the Commission found that the record did not show whether the requisite control relationships existed to qualify these domestic producers as related parties. Moreover, it stated that even assuming such control relationships existed, the record indicated that the primary interest of both domestic producers was in domestic production and thus appropriate circumstances would not exist to exclude either producer from the domestic industry. *Original Spain Determination*, USITC Pub. 4696 at 9 n.27; Confidential Original Spain Determination at 12 n.27 (EDIS Document No. 774136).

[29] *Original Spain Determination*, USITC Pub. 4696 at 10; Original Confidential Spain Determination at 13 (EDIS Document No. 774136). The Commission noted that the exclusion of *** from the domestic industry did not significantly alter its analysis, since ***.

[30] Domestic Producers' Substantive Response at 14.

[31] Because *** did not respond to the notice of institution for these reviews, the record does not contain any information on whether the company would still be subject to the related parties provision in these reviews.

III. Cumulation

A. Legal Standard

> With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows: the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[32]

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.[33] The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

The statutory threshold for cumulation is satisfied in these reviews, because all reviews were initiated on the same day, May 2, 2022.[34]

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[32] 19 U.S.C. § 1675a(a)(7).

[33] 19 U.S.C. § 1677(7)(G)(i); *see also*, *e.g.*, *Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).

[34] CR/PR at Table I-1; *Initiation of Five-Year (Sunset) Reviews*, 87 Fed. Reg. 25,617, 25,618 (May 2, 2022).

In the original investigations, the Commission cumulated subject imports from India, Italy, and Spain, finding a reasonable overlap of competition between subject imports from all three countries and between subject imports and the domestic like product.[35]

In these reviews, Domestic Producers argue that the Commission should exercise its discretion to cumulate subject imports from all three countries in these reviews, arguing that the circumstances that the Commission highlighted in its finding of a reasonable overlap of competition in the original investigations continue to be present in these reviews. Moreover, Domestic Producers assert that, although the volume of imports from all three subject countries has declined as a result of the orders, exports from all three subject industries continue to have a presence in the U.S. market, and subject producers are likely working with their previous U.S. distributor clients.[36]

B. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[37] Neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[38] The Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

Based on the record in these reviews, we do not find that imports from any of the subject countries would likely have no discernible adverse impact on the domestic industry in the event of revocation, for the reasons detailed below.

India. Subject imports from India have maintained a presence in the U.S. market from the original investigations through the current period of review.

In the original POI, subject imports from India were 122.3 million pounds in 2014, accounting for 31.7 percent of apparent U.S. consumption; 148.7 million pounds in 2015,

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[35] *Original Spain Determination*, USITC Pub. 4696 at 10-13.
[36] Domestic Producers' Substantive Response at 4-5.
[37] 19 U.S.C. § 1675a(a)(7).
[38] SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

accounting for 40.9 percent of apparent U.S. consumption; and 82.1 million pounds in 2016, accounting for 32.0 percent of apparent U.S. consumption.[39] In the current period of review, subject imports from India were 62.1 million pounds in 2017; 123.0 million pounds in 2018; 116.8 million pounds in 2019; and 74.1 million pounds in 2020.[40] In 2021, subject imports from India were 115.3 million pounds, accounting for *** percent of apparent U.S. consumption.[41]

The current reviews contain limited information concerning the industry in India producing flanges because no producer in India responded to the notice of institution. Domestic Producers provided a list of 35 firms that they believe to be producers of flanges in India.[42] In addition, subject producers in India have made public statements highlighting their export activities, including Roll Well Forge Pvt. Ltd. and Mascot Metal Manufacturers.[43] Moreover, Indian producer RN Gupta undertook an environmental study in 2018 for a potential future new steel mill.[44]

Global Trade Atlas data indicate that total exports from India of iron and steel flanges and forgings (a category that includes flanges as well as out-of-scope merchandise) increased irregularly from 136.8 million pounds in 2017 to 182.9 million pounds in 2021.[45] These data further indicate that the United States was by far the largest market for exports of these products from India in each year of the 2017-2021 period, and that such exports from India to the United States increased irregularly from 91.1 million pounds in 2017 to 137.1 million pounds in 2021.[46] Global Trade Atlas data also indicate that India was the third largest global exporter by value of these products in 2017-2019 and 2021.[47]

In the original investigations, subject imports from India undersold the domestic like product in all 72 quarterly comparisons, or 100 percent of such comparisons, with an average margin of underselling of 32.0 percent.[48] No pricing product data concerning flanges from India were obtained in the current reviews.

In light of the foregoing, including the continued presence and *** market share of subject imports from India in the U.S. market while under the disciplining effect of the orders,

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[39] CR/PR at Table I-7.
[40] CR/PR at Table I-6.
[41] CR/PR at Table I-7.
[42] CR/PR at I-20; Domestic Producers' Substantive Response at Exh. 6.
[43] Domestic Producers' Substantive Response at 9 and Exh. 3.
[44] CR/PR at Table I-8; Domestic Producers' Substantive Response at 9 and Exh. 3.
[45] CR/PR at Table I-9.
[46] CR/PR at Table I-9.
[47] CR/PR at Table I-14. In 2020, India was the fifth largest exporter of such products by value. *Id.*
[48] *Original Spain Determination*, USITC Pub. 4696 at Table V-10.

the large size of the industry in India and its volume of exports, and the underselling by subject imports from India during the original investigations, we do not find that subject imports from India would likely have no discernible adverse impact on the domestic industry if the pertinent orders were revoked.

Italy. Subject imports from Italy have maintained a presence in the U.S. market from the original investigations through the current period of review.

In the original POI, subject imports from Italy were 26.3 million pounds in 2014, accounting for 6.8 percent of apparent U.S. consumption; 31.1 million pounds in 2015, accounting for 8.6 percent of apparent U.S. consumption; and 31.6 million pounds in 2016, accounting for 12.3 percent of apparent U.S. consumption.[49] In the current period of review, subject imports from Italy were 3.2 million pounds in 2017; 535,000 pounds in 2018; 3.5 million pounds in 2019; and 424,000 pounds in 2020.[50] In 2021, subject imports from Italy were 54,000 pounds, accounting for less than *** percent of apparent U.S. consumption.[51]

The current reviews contain limited information concerning the industry in Italy producing flanges because no producer in Italy responded to the notice of institution. Domestic Producers provided a list of 26 firms that they believe to be producers of flanges in Italy.[52] In 2021, ASFO (Acciai Speciali Forgati) transferred all production to a new production plant in Villamarzana, including added capacity in the subject industry in Italy.[53] Moreover, subject producers in Italy, including Metalfar and Forgital, have made public statements highlighting their export activity.[54] Forgital was recently purchased by the Carlyle Group, which stated that it looks forward to supporting Forgital's expansion.[55]

Global Trade Atlas data indicate that total exports from Italy of iron and steel flanges and forgings (a category that includes flanges as well as out-of-scope merchandise) declined irregularly from 252.0 million pounds in 2017 to 188.9 million pounds in 2021.[56] These data further indicate that the United States was the largest market for exports of these products from Italy in each year of the 2017-2021 period, and that such exports from Italy to the United States declined irregularly from 37.6 million pounds in 2017 to 31.6 million pounds in 2021.[57]

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[49] CR/PR at Table I-7.
[50] CR/PR at Table I-6.
[51] CR/PR at Table I-7.
[52] CR/PR at I-21; Domestic Producers' Substantive Response at Exh. 7.
[53] CR/PR at Table I-10; Domestic Producers' Substantive Response at 8-9 and Exh. 3.
[54] Domestic Producers' Substantive Response at 8 and Exh. 3.
[55] CR/PR at Table I-10; Domestic Producers' Substantive Response at 8 and Exh. 3.
[56] CR/PR at Table I-11.
[57] CR/PR at Table I-11.

Global Trade Atlas data also indicate that Italy was the second largest global exporter (after China) by value of these products in each year of the 2017-2021 period.[58]

In the original investigations, subject imports from Italy undersold the domestic like product in 67 of 70 quarterly comparisons, or 95.7 percent of such comparisons, with an average margin of underselling of *** percent.[59] No pricing product data concerning flanges from Italy were obtained in the current reviews.

In light of the foregoing, including the continued presence of subject imports from Italy in the U.S. market while under the disciplining effect of the orders, the large size of the industry in Italy and its volume of exports, and the underselling by subject imports from Italy during the original investigations, we do not find that subject imports from Italy would likely have no discernible adverse impact on the domestic industry if the pertinent order were revoked.

Spain. Subject imports from Spain have maintained a presence in the U.S. market from the original investigations through the current period of review.

In the original POI, subject imports from Spain were 15.4 million pounds in 2014, accounting for 4.0 percent of apparent U.S. consumption; 26.3 million pounds in 2015, accounting for 7.2 percent of apparent U.S. consumption; and 18.7 million pounds in 2016, accounting for 7.3 percent of apparent U.S. consumption.[60] In the current period of review, subject imports from Spain were 13.4 million pounds in 2017; 33.3 million pounds in 2018; 19.3 million pounds in 2019; and 8.9 million pounds in 2020.[61] In 2021, subject imports from Spain were 14.9 million pounds, accounting for *** percent of apparent U.S. consumption.[62]

The current reviews contain limited information concerning the industry in Spain producing flanges because no producer in Spain responded to the notice of institution. Domestic Producers provided a list of seven firms that they believe to be producers of flanges in Spain.[63] Furthermore, AMES, a producer of power metal components including flanges, announced capacity expansions at its factories in Tamarite de Litera and Montblac in Spain in 2017.[64] Moreover, Domestic Producers state that a marketing brochure of Spanish subject

[58] CR/PR at Table I-14.

[59] *Original Spain Determination*, USITC Pub. 4696 at Table V-10; Original Investigations Confidential Staff Report at Table V-10 (EDIS Document No. 774129).

[60] CR/PR at Table I-7.

[61] CR/PR at Table I-6.

[62] CR/PR at Table I-7.

[63] CR/PR at I-23; Domestic Producers' Substantive Response at Exh. 8.

[64] CR/PR at Table I-12; Domestic Producers' Substantive Response at 9 and Exh. 3.

producer Ulma Forja Ltd. markets the company as having the "highest production capacity in the world in our business."[65]

Global Trade Atlas data indicate that total exports from Spain of iron and steel flanges and forgings (a category that includes flanges as well as out-of-scope merchandise) declined irregularly from 72.8 million pounds in 2017 to 48.2 million pounds in 2021.[66] These data further indicate that the United States was the largest market for exports of these products from Spain in each year of the 2018-2021 period, and that such exports from Spain to the United States increased irregularly from 13.5 million pounds in 2017 to 16.8 million pounds in 2021.[67] Global Trade Atlas data also indicate that Spain was the seventh largest global exporter by value of these products in 2017 and 2019-2021.[68]

In the original investigations, subject imports from Spain undersold the domestic like product in 49 of 72 quarterly comparisons, or 68.1 percent of such comparisons, with an average margin of underselling of *** percent.[69] No pricing product data concerning flanges from Spain were obtained in the current reviews.

In light of the foregoing, including the continued presence of subject imports from Spain in the U.S. market while under the disciplining effect of the orders, the large size of the industry in Spain and its volume of exports, and the underselling by subject imports from Spain during the original investigations, we do not find that subject imports from Spain would likely have no discernible adverse impact on the domestic industry if the pertinent order were revoked.

C. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like

[65] Domestic Producers' Substantive Response at 9 and Exh. 3.

[66] CR/PR at Table I-13.

[67] CR/PR at Table I-13. In 2017, the United States was the second largest export market (after Canada) for such products from Spain. *Id.*

[68] CR/PR at Table I-14. In 2018, Spain was the sixth largest exporter of such products by value. *Id.*

[69] Original Investigations Confidential Staff Report at Table V-10 (EDIS Document No. 774129).

product.[70] Only a "reasonable overlap" of competition is required.[71] In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.[72]

Fungibility. In the original investigations, the Commission found that flanges, regardless of source, were generally produced to the same specifications, and observed that a majority of responding market participants reported that subject imports from all three subject countries were always or frequently used interchangeably with each other and with the domestic like product.[73] However, the Commission noted that purchasers reported that subject imports from India were inferior to the domestic like product and subject imports from Italy and Spain as to whether their flange suppliers were on AMLs. Furthermore, the Commission observed that a majority of responding market participants reported that flanges on AMLs were only sometimes or never interchangeable with flanges not on AMLs.[74]

Nevertheless, the Commission stated that purchasers' perceptions that subject imports from India differed with respect to their presence on AMLs did not preclude a finding that subject imports from India were fungible with the domestic like product and subject imports from Italy and Spain. Instead, the Commission found that the domestic like product and imports from all three subject countries competed in the same segments of the market to a significant degree, including serving some of the same customers, notwithstanding any

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[70] The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. *See, e.g., Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

[71] *See Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int'l Trade 1996); *Wieland Werke,* 718 F. Supp. at 52 ("Completely overlapping markets are not required."); *United States Steel Group v. United States,* 873 F. Supp. 673, 685 (Ct. Int'l Trade 1994), *aff'd*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. *See, e.g*., *Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 and 731-TA-812-13 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff'd sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp. 2d 1353 (Ct. Int'l Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-62 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

[72] *See generally*, *Chefline Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002).

[73] *Original Spain Determination*, USITC Pub. 4696 at 12.

[74] *Original Spain Determination*, USITC Pub. 4696 at 12.

differences with respect to the use of AMLs.[75] It found that domestically produced flanges and flanges from all subject sources, including India, were included on various AMLs. Moreover, the record indicated that distributors and end users frequently deviated from AMLs for price reasons, and a substantial majority of purchasers reported that they had purchased subject imports from India instead of domestic sources for price reasons, notwithstanding their reporting that subject imports from India were inferior to domestically produced flanges in terms of AMLs.[76]

In these reviews, Domestic Producers contend that the circumstances supporting the Commission's fungibility analysis in the original investigations continue to exist today, and provide information from the websites of several subject producers indicating that those producers are currently on AML lists.[77] There is no new information in the record to indicate any change from the Commission's previous findings of sufficient fungibility between subject imports from India, Italy, and Spain and the domestic like product.

Channels of Distribution. In the original investigations, the Commission found that U.S. producers and importers of subject merchandise from each subject country sold mainly to distributors.[78] In these reviews, Domestic Producers assert that the circumstances with respect to channels of distribution have not changed since the original investigations, and that both the domestic like product and subject imports continue to sell primarily to distributors.[79] There is no new information in the record to indicate any change from the Commission's previous findings that subject imports from India, Italy, and Spain and the domestic like product overlap with respect to channels of distribution.

Geographic Overlap. In the original investigations, the Commission found that U.S. producers and importers of subject merchandise from each subject country reported selling flanges in all regions of the contiguous United States.[80] There is no information in the current reviews to indicate that there has been any change in the geographic overlap between subject imports from India, Italy, and Spain and the domestic like product. In these reviews, the

[75] *Original Spain Determination*, USITC Pub. 4696 at 12-13.

[76] *Original Spain Determination*, USITC Pub. 4696 at 12-13.

[77] Domestic Producers' Substantive Response at 4-5.

[78] *Original Spain Determination*, USITC Pub. 4696 at 13. The Commission noted that a slightly larger minority of subject imports from India were sold to end users as compared to imports from the other two subject countries. *Id.*

[79] Domestic Producers' Substantive Response at 4.

[80] *Original Spain Determination,* USITC Pub. 4696 at 13.

majority of subject imports from all three subject countries entered through the southern borders of entry during the period of review.[81]

Simultaneous Presence. In the original investigations, the Commission found that subject imports from each subject country were present in every month of the POI.[82] In these reviews, subject imports from each subject country were present in all 60 months of the 2017-2021 period of review.[83]

Conclusion. The record in these expedited reviews contains limited information concerning subject imports in the U.S. market during the current review period. The record contains no new information, however, suggesting a change in the considerations that led the Commission in its original determinations to conclude that there was a reasonable overlap of competition between and among imports from the three subject countries and the domestic like product. In light of this, and in the absence of any contrary argument, we find that there would likely be a reasonable overlap of competition between and among subject imports of flanges from India, Italy, and Spain and the domestic like product, if the orders were revoked.

D. Likely Conditions of Competition

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether subject imports from India, Italy, and Spain would likely compete under similar or different conditions of competition in the U.S. market after revocation of the orders. The available information in these expedited reviews shows that prior to imposition of the orders, imports from all three subject countries increased significantly in volume and market share from 2014 to 2015,[84] and undersold the domestic like product in the original POI.[85] The available information also shows that India, Italy, and Spain each exported substantial volumes of iron and steel flanges and forgings (a category that includes flanges as well as out-of-scope merchandise) during the current period of review, and that the United States was the leading export market for iron and steel flanges and forgings from all three subject countries during the period.[86] As reviewed above, based on Harmonized Tariff Schedule data for the subheadings within which flanges are classified, subject imports from all three subject countries have

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[81] CR/PR at I-18.

[82] *Original Spain Determination,* USITC Pub. 4696 at 13.

[83] CR/PR at I-18.

[84] CR/PR at Table I-7. As apparent U.S. consumption declined substantially in 2016, import volumes from all three subject countries declined as well. *Id.*

[85] Original Investigations Confidential Staff Report at Table V-10 (EDIS Document No. 774129).

[86] CR/PR at Tables I-9, I-11, I-13.

remained present in the U.S. market throughout the period of review. This information indicates that the industries in all three subject countries have some degree of export orientation and have shown a continuing interest in the U.S. market since imposition of the orders.

Thus, the record in these reviews does not indicate that there would likely be any significant difference in the conditions of competition between subject imports from India, Italy, and Spain if the orders were revoked.

E. Conclusion

In sum, we determine that subject imports of flanges from India, Italy, and Spain, considered individually, are not likely to have no discernible adverse impact on the domestic industry if the corresponding orders were revoked. We also find a likely reasonable overlap of competition between and among subject imports from India, Italy, and Spain and the domestic like product if the orders were revoked. Finally, we find that imports from each subject country would be likely to compete under similar conditions of competition after revocation of the antidumping and countervailing duty orders. We therefore exercise our discretion to cumulate subject imports of India, Italy, and Spain for purposes of our analysis in these reviews.

IV. Revocation of the Antidumping and Countervailing Duty Orders Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[87] The SAA states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the

[87] 19 U.S.C. § 1675a(a).

elimination of its restraining effects on volumes and prices of imports."[88] Thus, the likelihood standard is prospective in nature.[89] The U.S. Court of International Trade has found that "likely," as used in the five-year review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[90]

The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[91] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis in original investigations."[92]

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated."[93] It directs the Commission to take into account its prior injury

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[88] SAA at 883-84. The SAA states that "{t}he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." *Id*. at 883.

[89] While the SAA states that "a separate determination regarding current material injury is not necessary," it indicates that "the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked." SAA at 884.

[90] *See NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int'l Trade 2003) ("'likely' means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)"), *aff'd mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) ("more likely than not" standard is "consistent with the court's opinion;" "the court has not interpreted 'likely' to imply any particular degree of 'certainty'"); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) ("standard is based on a likelihood of continuation or recurrence of injury, not a certainty"); *Usinor v. United States*, 26 CIT 767, 794 (2002) ("'likely' is tantamount to 'probable,' not merely 'possible'").

[91] 19 U.S.C. § 1675a(a)(5).

[92] SAA at 887. Among the factors that the Commission should consider in this regard are "the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities." *Id*.

[93] 19 U.S.C. § 1675a(a)(1).

determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[94] The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.[95]

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.[96] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[97]

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.[98]

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[94] 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to the orders. *See* Department of Commerce Memorandum from James Maeder to Lisa W. Wang, *Issues and Decision Memorandum for the Expedited Sunset Reviews of the Antidumping Duty Orders on Finished Carbon Steel Flanges from India, Italy, and Spain*, August 23, 2022, at 4-5 (EDIS Document No. 782118).

[95] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[96] 19 U.S.C. § 1675a(a)(2).

[97] 19 U.S.C. § 1675a(a)(2)(A-D).

[98] *See* 19 U.S.C. § 1675a(a)(3). The SAA states that "{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[99] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.[100]

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the flanges industries in India, Italy, and Spain. There also is limited information on the flanges market in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigations and the limited new information, including information provided by Domestic Producers, on the record in these first five-year reviews.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[101] The following conditions of competition inform our determinations.

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[99] 19 U.S.C. § 1675a(a)(4).

[100] The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

[101] 19 U.S.C. § 1675a(a)(4).

1. Demand Conditions

The Original Investigations. The Commission found that flanges are used in the oil and gas, construction, and petrochemical industries. It observed that because a substantial share of flanges production is consumed by the oil and gas industry, declining activity in that industry beginning in 2014 led to falling demand for flanges. Apparent U.S. consumption of flanges declined from 385.6 million pounds in 2014 to 363.2 million pounds in 2015 and 256.7 million pounds in 2016.[102]

The Current Reviews. Apparent U.S. consumption was *** pounds in 2021.[103]

Domestic Producers assert that flanges continue to be used primarily in the oil and gas, construction, and petrochemical industries, and that there are no new uses for flanges.[104] They state that demand for flanges was negatively affected by slowdowns in the oil and gas sector in 2019 and 2020 as a result of the COVID-19 pandemic, and that the domestic industry is still "navigating" a rebound in U.S. demand.[105] Responding purchaser responses were mixed on demand trends over the period of review.[106]

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[102] *Original Spain Determination*, USITC Pub. 4696 at 17.

[103] CR/PR at Table I-7. The Commission notes that for the years 2014-16, apparent U.S. consumption data were compiled using data submitted in the Commission's original investigations. For the year 2021, U.S. producers' U.S. shipments were compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports were compiled using official Commerce statistics under HTS statistical reporting numbers 7307.91.5010 and 7307.91.5050. CR/PR at Table I-7, Source. As such, apparent U.S. consumption in 2021 may be understated.

[104] Domestic Producers' Substantive Response at 19.

[105] Domestic Producers' Substantive Response at 20.

[106] Responding purchaser *** reported that ***. CR/PR at D-3. Responding purchaser *** reported that ***. *Id.* at D-3, D-5. Responding purchaser *** reported that ***. *Id.* at D-4. Responding purchaser *** reported that ***. *Id.* at D-4, D-5.

2. Supply Conditions

The Original Investigations. The Commission observed that the domestic industry was composed of both integrated and non-integrated producers. For example, Boltex produced its own flange forgings, which it processed into finished flanges, or sold them to other companies that processed flange forgings into finished flanges. By contrast, a number of other domestic producers purchased flange forgings and processed them into finished flanges.[107]

Subject imports held the largest share of apparent U.S. consumption throughout the POI. The market share, by quantity, of apparent U.S. consumption of cumulated subject imports was 42.5 percent in 2014, 56.7 percent in 2015, and 51.6 percent in 2016. Domestic production held the next largest share of apparent U.S. consumption during the POI, which was *** percent in 2014, *** percent in 2015, and *** percent in 2016. Nonsubject imports were present in the U.S. market throughout the POI, accounting for 14.1 percent of apparent U.S. consumption in 2014, 13.0 percent in 2015, and 13.6 percent in 2016. The main sources of nonsubject imports were China, Korea, and Germany.[108]

The Current Reviews. In late 2019, Forged Components Inc. announced its acquisition of the Western of Texas Forge & Flange Company, which manufactures pipe flanges and forgings.[109] In June 2021, AFG Holdings announced that it had acquired Maass Flange Corporation, a manufacturer of alloy, stainless, and nickel alloy flanges.[110]

In 2021, cumulated subject imports had the largest share, at *** percent, of apparent U.S. consumption, followed by the domestic industry, at *** percent, and nonsubject

[107] *Original Spain Determination*, USITC Pub. 4696 at 17-18.

[108] *Original Spain Determination*, USITC Pub. 4696 at 18; Confidential Original Spain Determination at 25-26 (EDIS Document No. 774136).

[109] CR/PR at Table I-4.

[110] CR/PR at Table I-4.

imports, at *** percent.[111] The largest source of nonsubject imports in 2021 was China, followed by Germany and South Korea.[112]

3. Substitutability and Other Conditions

The Original Investigations. The Commission found that flanges in the United States were generally produced to ASTM material and ASME design standards, and were typically sold in standard sizes, pressure classes, and facings. In addition to these standard flanges, many producers also made nonstandard or specialty flanges.[113]

The Commission found that a majority of responding domestic producers, importers, and purchasers reported that subject imports from the subject countries were always or frequently interchangeable with each other and with the domestic like product. However, in comparisons with domestically produced product, most importers reported that differences other than price were only sometimes or never important with respect to flanges from Italy and Spain, but were always or frequently significant with respect to flanges from India.[114]

Although purchasers reported that AMLs and "approved" flanges were important non-price factors in purchasing decisions, they referenced price as an important factor more frequently than they did AMLs or other approvals.[115] While purchasers reported flanges from India to be inferior to the domestic like product and subject imports from Italy and Spain with

[111] CR/PR at Table I-7. Responding purchaser *** reported that ***. According to this purchaser, ***. CR/PR at D-3. However, the available information indicates that the domestic industry's share of apparent U.S. consumption has not increased since the orders became effective, but rather declined from *** percent in 2016 to *** percent in 2021. CR/PR at Table I-7.

Responding purchaser *** reported that ***. *Id.* at D-3, D-5. Responding purchaser *** reported that ***. *Id* at D-4, D-5.

[112] CR/PR at Table I-7.

[113] *Original Spain Determination*, USITC Pub. 4696 at 18.

[114] *Original Spain Determination*, USITC Pub. 4696 at 18.

[115] *Original Spain Determination*, USITC Pub. 4696 at 19.

respect to AMLs, the Commission observed that record evidence indicated that Indian producers were increasingly being added to AMLs.[116]

The Commission found subject imports and domestically produced flanges to be highly substitutable when sold based on AML requirements, and also highly substitutable when AML designation was not required. It noted, however, that the substitutability of flanges produced by AML listed suppliers (domestic or foreign) and those produced by non-AML listed suppliers, was variable. Thus, the Commission stated that the substitutability of flanges from all sources accordingly varied somewhat based on AML designations and the degree that such a designation was required.[117]

Purchasers reported that purchasing U.S. product was not required for 62 percent of their purchases, while 32 percent of their purchases were required by their customers to be domestically produced.[118]

The Commission observed that the main raw material used to produce flanges was carbon steel in the form of billets or forgings. It further observed that the cost of raw materials as a share of the cost of goods sold ("COGS") declined from 66.0 percent in 2014 to 58.1 percent in 2016.[119]

The Current Reviews. The record in these reviews contains no new information to indicate that the degree of substitutability between the domestic like product and subject imports or the importance of price in purchasing decisions has changed since the original investigations.[120] Accordingly, we continue to find that subject imports and domestically produced flanges are highly substitutable when sold based on AML requirements and when AML designation is not required, that the substitutability of flanges produced by AML listed suppliers and those produced by non-AML listed suppliers is variable, and that price remains an important factor in purchasing decisions for flanges.

Domestic Producers assert that supply chain issues as a result of the COVID-19 pandemic resulted in large price increases for carbon steel, a key input for flanges, and that carbon steel continued to have record price increases in early 2022.[121] Moreover, they contend that the imposition of additional tariffs on imported raw materials for flanges under Section

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[116] *Original Spain Determination*, USITC Pub. 4696 at 19.
[117] *Original Spain Determination*, USITC Pub. 4696 at 19.
[118] *Original Spain Determination*, USITC Pub. 4696 at 19.
[119] *Original Spain Determination*, USITC Pub. 4696 at 19.
[120] *See* Domestic Producers' Substantive Response at 4-5, 10-11.
[121] Domestic Producers' Substantive Response at 20.

232 of the Trade Expansion Act of 1962 as amended,[122] without imposition of similar tariffs on imports of flanges,[123] has placed domestic producers at a competitive disadvantage with regard to subject imports.[124] [125]

C. Likely Volume of Subject Imports

The Original Investigations. The Commission found that cumulated subject imports were a substantial presence in the U.S. market during the POI, increasing from 164.1 million pounds in 2014 to 206.1 million pounds in 2015, and then decreasing to 132.4 million pounds in 2016.[126] The Commission noted that the decline in subject imports occurred while apparent U.S. consumption of flanges declined from 385.6 million pounds in 2014 to 363.2 million pounds in 2015 and 256.7 million pounds in 2016.[127]

The Commission observed that on an annual basis, the market shares of cumulated subject imports and the domestic industry moved in opposite directions. Cumulated subject imports' share of apparent U.S. consumption increased from 42.5 percent in 2014 to 56.7 percent in 2015, and then decreased to 51.6 percent in 2016. By contrast, the domestic industry's share of apparent U.S. consumption decreased from *** percent in 2014 to *** percent in 2015, but then increased to *** percent in 2016.[128]

The Commission found that the volume of cumulated subject imports was significant in absolute terms as well as relative to consumption and production in the United States.[129]

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[122] 19 U.S.C. § 1862.

[123] *See* CR/PR at I-7.

[124] Domestic Producers' Substantive Response at 20-21.

[125] Responding Purchaser *** reported that ***. CR/PR at D-3. Responding purchaser *** reported that ***. CR/PR at D-3, D-5. Responding purchaser *** reported that ***. CR/PR at D-4, D-5.

[126] *Original Spain Determination*, USITC Pub. 4696 at 19-20.

[127] *Original Spain Determination*, USITC Pub. 4696 at 20.

[128] *Original Spain Determination*, USITC Pub. 4696 at 20; Confidential Original Spain Determination at 26 (EDIS Document No. 774136). Nonsubject imports experienced much smaller shifts in market share, falling from 14.1 percent of apparent U.S. consumption in 2014 to 13.0 percent in 2015, and then increasing to 13.6 percent in 2016. *Original Spain Determination*, USITC Pub. 4696 at 20.

[129] The Commission also found that cumulated subject imports were also significant relative to domestic production, which declined during the POI. The ratio of cumulated subject imports to domestic production was *** percent in 2014, *** percent in 2015, and *** percent in 2016. *Original Spain Determination*, USITC Pub. 4696 at 20; Confidential Original Spain Determination at 29 (EDIS Document No. 774136).

The Current Reviews. Cumulated subject imports of flanges maintained a substantial presence in the U.S. market throughout the period of review, even under the disciplining effects of the orders. The volume of cumulated subject imports of flanges was 78.8 million pounds in 2017, 156.9 million pounds in 2018, 139.5 million pounds in 2019, 83.4 million pounds in 2020, and 130.3 million pounds in 2021.[130] As previously noted, cumulated subject imports had the largest share of apparent U.S. consumption, at *** percent, in 2021.[131]

The record in these expedited reviews contains limited information on the subject industries in India, Italy, and Spain. The information available in the current reviews indicates that the subject industries in India, Italy, and Spain have the means to export significant volumes of subject merchandise to the United States upon revocation of the orders. Information provided by Domestic Producers indicates that the subject industries in India, Italy, and Spain continue to maintain substantial capacity. Domestic Producers have identified 35 possible producers of flanges in India, 26 possible producers of flanges in Italy, and seven possible producers of flanges in Spain.[132] Domestic Producers note that subject producer Ulma Forja Ltd. in Spain markets itself as having the "highest production capacity in the world in our business."[133] Moreover, the information available indicates that subject producers have added capacity during the period of review or are looking to add capacity in the future. In Italy, ASFO (Acciai Speciali Forgati) transferred all production in 2021 to a new production plant in Villamarzana.[134] In Spain, AMES, a producer of power metal components including flanges, announced capacity expansions in 2017 at its factories in Tamarite de Litera and Montblanc.[135] In India, RN Gupta undertook an environmental study in 2018 for a potential new steel mill.[136]

The available information also indicates that the subject industries have substantial excess capacity. In the original investigations, the Commission found that the cumulated subject industries were operating at a reported capacity utilization of 47.5 percent in 2014, 45.1 percent in 2015, and 39.4 percent in 2016, and had a projected capacity utilization of 37.7

[130] CR/PR at Table I-6.
[131] CR/PR at Table I-7.
[132] CR/PR at Tables I-20, I-21, I-23; Domestic Producers' Substantive Response, Exhs. 6-8.
[133] Domestic Producers' Substantive Response at 9 and Exh. 3.
[134] CR/PR at Table I-10; Domestic Producers' Substantive Response at 8-9 and Exh. 3.
[135] CR/PR at Table I-12; Domestic Producers' Substantive Response at 9 and Exh. 3.
[136] CR/PR at Table I-8; Domestic Producers' Substantive Response at 9 and Exh. 3.

percent for 2017 and 38.5 percent for 2018.[137] Although there are no data regarding the capacity utilization of the cumulated subject industries during the current period of review, Domestic Producers argue that these data from the original investigations indicate that subject producers have the ability to produce more subject merchandise if the orders are revoked.[138]

The record also contains information indicating that subject producers may engage in product shifting to produce more flanges if the orders are revoked. In the original investigations, all responding Indian subject producers but one reported that they could switch production capacity between carbon steel flanges and other products, all responding Italian subject producers but one similarly reported that they could switch production capacity between carbon steel flanges and other products, and the sole responding Spanish producer reported that it could produce other products on the same machinery it used to produce subject merchandise.[139] In these reviews, Domestic Producers contend that these data from the original investigations indicate that many subject producers could switch to produce more subject merchandise if the orders were revoked.[140]

The available information in the record also indicates that the subject industries in India, Italy, and Spain are top exporters of iron and steel flanges and forgings (a category that includes flanges as well as out-of-scope merchandise). As reviewed above, global export data from the Global Trade Atlas for iron and steel flanges and forgings indicate that Italy was the second largest exporting country by value of such products (following China) in each year of the 2017-2021 period, while India was among the top five sources of exports by value of such products in each year, and Spain among the top seven sources of exports by value of such products in each year.[141] Furthermore, Domestic Producers have submitted for the record public statements by subject producers indicating their export activity, including statements by Indian producers Roll Well Forge Pvt. Ltd. and Mascot Metal Manufacturers and Italian producers Metalfar and Forgital.[142]

The record also indicates that the United States remains an attractive export market for subject producers of flanges in India, Italy, and Spain. While under the disciplining effects of the orders, cumulated subject imports were present in the U.S. market throughout the period of review and accounted for *** percent of apparent U.S. consumption in 2021, indicating

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[137] *Original Spain Determination*, USITC Pub. 4696 at Table VII-14.
[138] Domestic Producers' Substantive Response at 6-7.
[139] *See Original Spain Determination*, USITC Pub. 4696 at VII-5 to VII-6, VII-10, VII-13.
[140] Domestic Producers' Substantive Response at 7-8.
[141] CR/PR at Table I-14.
[142] Domestic Producers' Substantive Response at 8-9 and Exh. 3.

that subject producers remain interested in the U.S. market and have maintained contacts with U.S. customers.[143] The United States was the largest destination for exports of iron and steel flanges and forgings from India and Italy in each year of the 2017-2021 period, and was the largest destination for exports of iron and steel flanges and forgings from Spain in each year from 2018 to 2021.[144]

Given the foregoing, including the significant volume and market share of cumulated subject imports during the POI, the subject industries' substantial capacity and excess capacity, their export orientation and position as leading exporters of iron and steel flanges and forgings, and the continuing interest of subject producers in the U.S. market, we find that the volume of cumulated subject imports would likely be significant, both in absolute terms and relative to consumption in the United States, if the orders were revoked.[145]

D. Likely Price Effects

The Original Investigations. The Commission found that domestically produced flanges and flanges imported from the subject sources were highly substitutable when sold based on AML requirements and when AML designation was not required, but the substitutability of flanges produced by AML listed suppliers (domestic or foreign) and those produced by non-AML listed suppliers was variable.[146] The Commission also found that price was an important factor in purchasing decisions.[147]

The Commission's pricing data showed that subject imports undersold the domestic like product in 190 out of 214 quarterly comparisons, or 88.8 percent of such comparisons.[148] Given the widespread underselling and the importance of price in purchasing decisions, the Commission found the underselling to be significant.[149] The Commission found that the underselling allowed subject imports to obtain sales and increase their market share at the expense of the domestic industry, particularly from 2014 to 2015, when subject import market share rose from 42.5 percent to 56.7 percent, while the domestic industry's market share

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[143] CR/PR at Table I-7.

[144] CR/PR at Tables I-9, I-11, I-13.

[145] There are no known antidumping, countervailing duty, or safeguard investigations or measures concerning flanges from India, Italy, or Spain in any third-country markets. CR/PR at I-24. The record does not contain data addressing existing inventories of the subject merchandise.

[146] *Original Spain Determination*, USITC Pub. 4696 at 21.

[147] *Original Spain Determination*, USITC Pub. 4696 at 21.

[148] *Original Spain Determination*, USITC Pub. 4696 at 21.

[149] *Original Spain Determination*, USITC Pub. 4696 at 21.

decreased from *** percent to *** percent.[150] The Commission noted that almost all responding purchasers reported that since 2014 they had purchased subject imports instead of flanges from U.S. producers, that all reported that prices for subject imports from India were lower than the domestic like product, and that most reported that price was the primary reason for shifting purchases.[151]

The Commission also found that subject imports depressed prices for the domestic like product to a significant degree, noting that prices decreased between the first quarter of 2014 and the fourth quarter of 2016 for all six pricing products from the United States and all three subject countries (with the exception of prices for one pricing product from India), with the majority of U.S. price declines across all pricing products occurring in 2016.[152]

The Commission recognized that other factors may have contributed to the downward trend in prices, but found that subject imports were responsible in substantial part for the declines in the prices of the domestic like product.[153] It acknowledged that raw material costs declined overall during the POI, but found that the record contained only limited evidence that price trends for flanges were linked to trends in raw material prices, and noted that the unit value of total net sales decreased by a substantially greater amount than did raw material costs. Moreover, the Commission found that the domestic industry reduced its prices twice in 2016 specifically to gain back market share from subject imports, which did result in an increase in the domestic industry's market share in 2016, and that 10 of 17 responding purchasers confirmed that U.S. producers had reduced prices in order to compete with lower-priced imports from subject countries.[154] Accordingly, in light of the pervasive underselling, the record evidence demonstrating that the domestic industry reduced prices to compete with lower-priced subject imports, and the domestic industry's recapture of some market share in 2016, the Commission found that the decline in prices for domestically produced product was due, in significant part, to subject imports.[155]

The Current Reviews. As discussed above, we continue to find that domestically produced flanges and flanges imported from the subject sources are highly substitutable when sold based on AML requirements, and when AML designation is not required, and that the

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[150] *Original Spain Determination*, USITC Pub. 4696 at 21; Confidential Original Spain Determination at 31 (EDIS Document No. 774136).

[151] *Original Spain Determination,* USITC Pub. 4696 at 21.

[152] *Original Spain Determination,* USITC Pub. 4696 at 22.

[153] *Original Spain Determination,* USITC Pub. 4696 at 22.

[154] *Original Spain Determination,* USITC Pub. 4696 at 22.

[155] *Original Spain Determination,* USITC Pub. 4696 at 22-23.

substitutability of flanges produced by AML listed suppliers (domestic or foreign) and those produced by non-AML listed suppliers is variable. We also continue to find that price is an important factor in purchasing decisions.

The record in these expedited reviews does not contain recent product-specific pricing information. Based on the information available, including the significant subject import underselling and consequent price depression found by the Commission in the original investigations, the high degree of substitutability of subject imports and the domestic like product when sold based on AML requirements and when AML designation is not required, and the importance of price in purchasing decisions, we find that underselling by cumulated subject imports would likely be significant in the event of revocation of the orders, as in the original investigations. Absent the discipline of the orders, the likely significant volumes of low-priced cumulated subject imports would likely force the domestic industry either to lower prices, restrain price increases necessary to cover increasing costs, or else lose sales and market share to subject imports, as they did in the original investigations. Consequently, we find that if the orders were revoked, likely significant volumes of low-priced cumulated subject imports would likely have significant price effects.

E. Likely Impact

The Original Investigations. The Commission found that although the domestic industry's capacity increased, almost all of its other performance indicators eroded throughout the POI, including production, capacity utilization, U.S. shipments, and the relevant employment indicators.[156] In addition, the domestic industry's market share of apparent U.S. consumption declined irregularly over the POI from *** percent in 2014 to *** percent in 2016.[157] The Commission further found that there were substantial declines in the domestic industry's financial performance during the POI, including declines in sales revenue, gross profit, operating income, operating income margin, total net income, cash flow, and capital expenditures, while its COGS to net sales ratio increased by *** percentage points between 2014 and 2016.[158] Moreover, the domestic industry's operating income deteriorated from

[156] *Original Spain Determination*, USITC Pub. 4696 at 23-24.

[157] *Original Spain Determination*, USITC Pub. 4696 at 24; Confidential Original Spain Determination at 34-35 (EDIS Document No. 774136).

[158] *Original Spain Determination*, USITC Pub. 4696 at 24; Confidential Original Spain Determination at 35 (EDIS Document No. 774136).

$*** in 2014 to *** in 2016, while its operating margin similarly went from *** percent in 2014 to *** percent in 2016.[159]

The Commission found that as a result of the lost sales, lost market share, and declining prices caused by cumulated subject imports, the domestic industry's output, prices, and revenues were lower than they would have been otherwise, as reflected in the industry's declining performance indicators. Consequently, the Commission found that the significant volume of subject imports, at prices that consistently undersold the domestic like product, had a significant impact on the domestic industry.[160]

The Commission also considered the role of other factors so as not to attribute any injury from them to subject imports. It found that nonsubject imports declined, and occupied a significantly smaller share of the market than subject imports, throughout the POI. Moreover, it observed that although both the domestic industry and nonsubject imports lost market share to subject imports from 2014 to 2015 and then regained some market share in 2016, nonsubject imports did so to a lesser degree, and their market share fluctuated only within a narrow range. Accordingly, the Commission found that nonsubject imports did not explain the domestic industry's loss of market share during the POI.[161]

The Commission also considered the role of declining demand throughout the POI, finding that this decline could not account for the domestic industry's loss of market share over the POI, nor could it fully explain the declines in prices.[162]

The Current Reviews. The record in these expedited reviews contains limited information concerning the domestic industry's performance since the original investigations. The information available indicates that most indicators of the domestic industry's performance were weaker in 2021 than in 2016, including capacity, production, capacity utilization, and U.S. shipments.[163] In 2021, the industry's capacity was *** pounds,

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[159] *Original Spain Determination*, USITC Pub. 4696 at 24; Confidential Original Spain Determination at 35 (EDIS Document No. 774136).

[160] *Original Spain Determination*, USITC Pub. 4696 at 24-25.

[161] *Original Spain Determination*, USITC Pub. 4696 at 25.

[162] *Original Spain Determination*, USITC Pub. 4696 at 25.

[163] We recognize that the information regarding the domestic industry's performance in 2021 is not exactly comparable to the information regarding its performance in 2016 because coverage of the domestic industry is lower in these reviews, at approximately *** percent of domestic production in 2021, CR/PR at Table I-2, as compared to the original investigations, in which the ten responding domestic producers accounted for approximately *** percent of domestic production of flanges in 2016. CR/PR at I-12.

its production was *** pounds, its capacity utilization was *** percent, and its U.S. shipments were *** pounds.[164] By contrast, in 2016, the industry's capacity was *** pounds, its production was *** pounds, its capacity utilization was *** percent, and its U.S. shipments were *** pounds.[165] In 2021, the industry's operating income was $***, better than in 2016, when it was $***,and the ratio of its operating income to net sales was *** percent, *** worse than in 2016, when it was *** percent.[166] The domestic industry's share of apparent U.S. consumption by quantity was *** in 2021, which was worse than in 2016, when it was *** percent.[167] The information on the record, however, is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.[168]

Based on the information available in these reviews, we find that revocation of the orders would likely result in a significant volume of cumulated subject imports that would likely undersell the domestic like product to a significant degree. Given the high degree of substitutability between subject imports and the domestic like product when sold based on AML requirements and when AML designation is not required and the importance of price to purchasers, the likely significant volume of low-priced subject imports would likely force domestic producers to either cut prices or forgo necessary price increases to retain sales, or relinquish sales and market share to cumulated subject imports. Consequently, the likely significant volume of low-priced subject imports and their significant price effects would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry, which, in turn, would have a direct adverse impact on the industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments. We conclude that, if the orders were revoked,

[164] CR/PR at Table I-5.
[165] CR/PR at Table I-5.
[166] CR/PR at Table I-5.
[167] CR/PR at Table I-7.
[168] While acknowledging the limitations of the information on the record in these reviews, including U.S. producer coverage of *** percent and availability of one year of data, Commissioner Kearns finds the domestic industry to be vulnerable, based on a capacity utilization of only *** percent and operating margin of *** percent in 2021, both of which deteriorated since the end of the POI of the original investigations.

cumulated subject imports of flanges from India, Italy, and Spain would be likely to have a significant impact on the domestic industry within a reasonably foreseeable time.[169]

We have also considered the role of factors other than subject imports of flanges, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. As in the original POI, nonsubject imports generally declined over the period of review, were substantially smaller in volume than subject imports in each year from 2018-2021, and had a much smaller share (*** percent) of apparent U.S. consumption than subject imports (*** percent) in 2021.[170] Moreover, the record provides no indication that the presence of nonsubject imports would prevent cumulated subject imports from entering the U.S. market in substantial quantities after revocation of the orders. Furthermore, given the high degree of substitutability between subject imports and the domestic like product when sold based on AML requirements and when AML designation is not required and the importance of price in purchasing decisions, the presence of nonsubject imports in the U.S. market would not prevent the significant volumes of low-priced cumulated subject imports that are likely after revocation from taking market share, at least in part, from the domestic industry, or forcing domestic producers to either lower prices or forgo price increases to retain market share. Consequently, we find that subject imports would likely cause adverse effects on the domestic industry that are distinct from any impact of nonsubject imports in the event of revocation.

We have also considered the likely effects of demand trends on the domestic industry. We recognize that apparent U.S. consumption was lower in 2021 than in 2016.[171] However, Domestic Producers and *** report that demand

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[169] In its expedited reviews of the antidumping duty orders, Commerce determined that revocation of the orders would result in the continuation or recurrence of dumping, with margins of up to 12.58 percent for India, 204.53 percent for Italy, and 24.43 percent for Spain. *Finished Carbon Steel Flanges From India, Italy, and Spain: Final Results of the Expedited First Sunset Review of the Antidumping Duty Orders*, 87 Fed. Reg. 52,910 (Aug. 30, 2022).

In its expedited review of the countervailing duty order, Commerce determined that revocation of the order would result in the continuation or recurrence of countervailable subsidies for producers in India, with rates ranging between 7.49 and 9.40 percent. *Finished Carbon Steel Flanges From India: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order*, 87 Fed. Reg. 53,722 (Sept. 1, 2022).

[170] CR/PR at Tables I-6, I-7.

[171] CR/PR at Table I-7. We recognize that apparent U.S. consumption in 2021 may be understated due to the relatively lower coverage of the domestic industry in these reviews (*** percent) relative to the original investigations (*** percent). *See id.* at I-12.

experienced a sharp decline in late 2019 and 2020 as a result of the COVID-19 pandemic, but demand has been slowly rebounding ***.[172] Moreover, as the Commission found in the original investigations, declining demand cannot explain the domestic industry's loss of market share during the period of review and would be unlikely to fully explain any decline in prices upon revocation of the orders. Given this, we find that the adverse effects likely to be caused by subject imports upon revocation of the orders would be distinct from any likely effects resulting from demand trends.

V. Conclusion

For the foregoing reasons, we determine that revocation of the antidumping and countervailing duty orders on flanges from India, Italy, and Spain would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

[172] Domestic Producers' Substantive Response at 20; CR/PR at D-4, D-5.

Information obtained in these reviews

Background

On May 2, 2022, the U.S. International Trade Commission ("Commission") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted reviews to determine whether revocation of the countervailing duty order on finished carbon steel flanges ("flanges") from India and the antidumping duty orders on flanges from India, Italy, and Spain would be likely to lead to continuation or recurrence of material injury.[2] All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.[3] [4] Table I-1 presents information relating to the background and schedule of this proceeding:

Table I-1
Flanges: Information relating to the background and schedule of this proceeding

Effective date	Action
May 2, 2022	Notice of initiation by Commerce (87 FR 25617, May 2, 2022)
May 2, 2022	Notice of institution by Commission (87 FR 25662, May 2, 2022)
August 5, 2022	Commission's vote on adequacy
August 30, 2022	Commerce's final result of its expedited review of the antidumping duty orders
September 1, 2022	Commerce's final result of its expedited review of the countervailing duty order
November 15, 2022	Commission's determinations and views

[1] 19 U.S.C. 1675(c).

[2] 87 FR 25662, May 2, 2022. In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. 87 FR 25617, May 2, 2022. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission's website (www.usitc.gov).

[3] As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in the original investigations are presented in app. C.

[4] Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the domestic like product and the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

Responses to the Commission's notice of institution

Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. They were filed on behalf of the following entities: Weldbend Corporation ("Weldbend") and Boltex Manufacturing Company Inc. ("Boltex"),[5] domestic producers of flanges (collectively referred to herein as "domestic interested parties").

A complete response to the Commission's notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in table I-2.

Table I-2
Flanges: Summary of completed responses to the Commission's notice of institution

Interested party	Type	Number of firms	Coverage
U.S. producer	Domestic	2	***%

Note: The U.S. producer coverage figure presented is the domestic interested parties' estimate of their share of total U.S. production of flanges during 2021. Weldbend estimates that it accounted for approximately*** percent of total U.S. production of flanges in 2021 and Boltex estimates that it accounted for approximately*** percent of total U.S. production of the subject flanges in 2021. Domestic interested parties reported that Weldbend and Boltex are the largest U.S. producers of flanges. Domestic interested parties' supplemental response to the notice of institution, June 16, 2022, pp. 2-3.

Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited reviews from the domestic interested parties. Domestic interested parties request that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on flanges.[6]

[5] In 2020, Boltex Manufacturing Co. LP reorganized to Boltex Manufacturing Company Inc. Domestic interested parties' response to the notice of institution, June 1, 2022, p. 1.

[6] Domestic interested parties' comments on adequacy, July 14, 2022, p. 1.

The original investigations

The original investigations resulted from petitions filed on June 30, 2016, with Commerce and the Commission by Weldbend (Argo, Illinois) and Boltex (Houston, Texas).[7] On April 17, 2017, Commerce determined that imports of flanges from Spain were being sold at less than fair value ("LTFV").[8] On June 7, 2017, the Commission determined that an industry in the United States is materially injured by reason of imports of flanges from Spain.[9] While the Commission made its determination regarding subject imports from Spain, it analyzed subject imports from India, Italy, and Spain on a cumulated basis for its analysis of whether there was material injury by reason of subject imports.[10] On June 29, 2017, Commerce published its final determinations that imports of flanges from India were being subsidized and that imports of flanges from India and Italy were being sold in the United States at LTFV.[11] The Commission determined on August 14, 2017 that the domestic industry was materially injured by reason of imports of flanges from India and Italy.[12] On June 14, 2017, Commerce issued its antidumping duty order on Spain with the final weighted-average dumping margins ranging from 18.81 to 24.43 percent.[13] On August 24, 2017, Commerce issued its antidumping duty orders on India and Italy with the final weighted-average dumping margins ranging from 11.32 to 12.58 percent on imports from India and the final weighted-average dumping margins on imports from Italy ranging from 79.17 to 204.53 percent. [14] On August 24, 2017, Commerce issued its countervailing duty order on India with net subsidy rates ranging from 5.66 to 9.11 percent.[15]

[7] Finished Carbon Steel Flanges from India, Italy, and Spain, Inv. Nos. 701-TA-563 and 731-TA-1331-1333 (Final), USITC Publication 4696, June 2017 ("Original publication"), p. I-1.

[8] 82 FR 18108, April 17, 2017.

[9] 82 FR 27075, June 13, 2017.

[10] Original publication, p. 13.

[11] 82 FR 29479, June 29, 2017; 82 FR 29481, June 29, 2017 (Italy); 82 FR 29483, June 29, 2017 (India).

[12] 82 FR 39133, August 17, 2017.

[13] 82 FR 27229, June 14, 2017.

[14] 82 FR 40136, August 24, 2017. For imports from India, estimated weighted-average dumping margin ranged from 11.32 percent to 12.58 percent and cash deposit rate (adjusted for subsidy offsets) ranged from 8.56 to 9.27 percent.

[15] 82 FR 40138, August 24, 2017.

Previous and related investigations

Flanges, as defined in these investigations, have not been subject to previous antidumping and/or countervailing duty investigations in the United States. However, table I-3 presents previous and related investigations of similar merchandise.

Table I-3
Flanges or similar merchandise: Previous and related Commission proceedings and status of the orders

Date	Number	Country	Product Scope	Determination	Current Status of Order
1986	731-TA-308-310 and 520-521	Brazil, China, Japan, Taiwan, and Thailand	Carbon steel butt-weld pipe fittings	Commission Affirmative	Orders continued after fifth review in 2022
1994	731-TA-639-640	India and Taiwan	Stainless steel flanges	Commission Affirmative	Orders revoked after third five-year review
1994	731-TA-688-695	France, India, Israel, Malaysia, Korea, Thailand, United Kingdom, and Venezuela	Carbon steel butt-weld pipe fittings	Commission Negative	NA
2001	TA-201-73	NA	Certain steel products (including carbon and alloy steel flanges)	Commission Affirmative	Terminated by Presidential Proclamation
2017	701-TA-589 and 731-TA-1394-1396	China, Italy, and Taiwan	Forged steel fittings	Commission Affirmative	Orders issued in 2018
2019	701-TA-631 and 731-TA-1463-1464	India and Korea	Forged steel fittings	Commission Affirmative	Orders issued in 2020

Source: U.S. International Trade Commission publications and Federal Register notices.

Note: "Date" refers to the year in which the investigation was instituted by the Commission.

Commerce's five-year reviews

Commerce announced that it would conduct expedited reviews with respect to the orders on imports of flanges from India, Italy, and Spain with the intent of issuing the final results of these reviews based on the facts available not later than August 30, 2022.[16] Commerce publishes its Issues and Decision Memoranda and its final results concurrently, accessible upon publication at http://enforcement.trade.gov/frn/. Issues and Decision

[16] Letter from Robert Bolling, Acting Office Director, Office IV, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, June 21, 2022.

Memoranda contain complete and up-to-date information regarding the background and history of the order, including scope rulings, duty absorption, changed circumstances reviews, and anticircumvention, as well as any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping duty orders on imports of flanges from India, Italy, and Spain and countervailing duty order on imports of flanges from India are noted in the sections titled "The original investigations" and "U.S. imports," if applicable.

The product

Commerce's scope

Commerce has defined the scope as follows:

> *The scope of this order 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 this order. 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 this order. While these finished carbon steel flanges are generally manufactured to specification ASME B16.5 or ASME B16.47 series A or series B, 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.[17]

U.S. tariff treatment

Flanges are currently imported under Harmonized Tariff Schedule of the United States ("HTS") statistical reporting numbers 7307.91.5010 and 7307.91.5050. Flanges imported under HTS subheading 7307.91.50 from India, Italy, and Spain enter the U.S. market at a column 1-general duty rate of 5.5 percent ad valorem.[18] Effective September 24, 2018, flanges produced in China are subject to an additional 10 percent ad valorem duty under Section 301 of the Trade Act of 1974.[19] Flanges are not subject to additional duties under Section 232 of the Trade Expansion Act of 1962, as amended. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Description and uses[20]

A flange is a product for connecting pipes, valves, pumps and other equipment to form a

[17] 82 FR 27229, June 14, 2017.
[18] HTSUS (2022) Revision 6, Publication 5333, July 2022, p. 73-22.
[19] 83 FR 47974, September 21, 2018.
[20] Unless otherwise noted, this information is based on Finished Carbon Steel Flanges from Spain, Investigation No. 731-TA-1333 (Final), USITC Publication 4696, June 2017, pp. I-11-I-15.

piping system. It also provides easy access for cleaning, inspection or modification. Flanges are usually welded or screwed to the pipes or other equipment requiring a connection. Flanged joints are made by bolting together two flanges with a gasket between them to provide a seal.

The material of a flange is generally determined by the choice of the pipe, as in most cases a flange is of the same material as the pipe. Although the word "flange" generally refers to the actual raised rim or lip of a fitting, many flanged fittings are themselves known as 'flanges.' Flanges are also distinct from 'fittings' because flanges are used for pipe system connections whereas fittings are used when a change of direction or flow is required. Therefore, the two are not interchangeable. The basic types of flanges are described below:

- Weld neck (also called welding neck) flanges are circumferentially butt welded at the neck of the flange to the pipe.[21] The bores[22] of both pipe and flange match, which reduces turbulence and erosion inside the pipeline. The weld neck is therefore durable in demanding and critical applications, such as high pressure or extreme temperature. The neck, or hub, transmits stresses from the base of the hub to the wall thickness of the pipe at the butt weld, providing important reinforcement of the flange.
- Slip-on flanges are fitted over the pipe. The flange is slipped over the pipe and then fillet welded[23] both inside and outside to provide sufficient strength and prevent leakage. Slip-on flanges are sometimes preferred over welding neck flanges owing to lower cost and easier assembly. They are not typically used in high stress applications because of the low hub and method of attachment.
- A socket-weld flange is similar to a slip-on flange, but the bore is counter-bored to accept pipe. The diameter of the remaining bore is the same as the inside diameter of the pipe. This allows the pipe to slip into the flange but prevents the flange from continuing down the length of the pipe. The flange is attached to the pipe by a fillet weld around the hub of the flange. These flanges were initially developed for use in small diameter, high-pressure lines. Internally welded socket flanges are typically used in chemical processes, hydraulic applications, and steam distribution lines.

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[21] A butt weld is when two parallel lengths of the same size (whether beveled or unbeveled) are welded together. The two pieces do not overlap. See http://www.weldguru.com/weldtypesandpositions.html for an illustration of various butt joints.

[22] A flange bore is the center hole through which the gas or liquid flows.

[23] A fillet weld is the most common type of weld. Fillet welds occur when two perpendicular or overlapping lengths are welded together. See http://www.weldguru.com/weldtypesandpositions.html for an illustration of various fillet welds.

- Threaded, or screwed, flanges are used to connect other threaded components in low pressure, non-critical applications. This flange is similar to a slip-on flange, but its bore is threaded, thus enabling assembly without welding.
- A lap-joint is similar to a slip-on flange, but whereas the slip-on flange has a raised radius on both sides of the bore, a lap-joint has a flat radius on at least one side to accommodate a stub end. The face on the stub end forms the gasket face on the flange. Because the flange itself is not welded, it can be easily rotated for alignment and is typically used in applications where sections of piping systems need to be dismantled quickly and easily for inspection or replacement.
- Blind flanges are used to blank off pipe lines, valves or pumps. Blind, or "blanking," flanges also permit easy access to vessels or piping systems for inspection purposes. Blind flanges can be supplied with or without center hubs. Blind flanges are subjected to more stress from internal pressure than other types of flanges.

Weld-neck and slip-ons are the most common types of flanges. There are also other types of specialty flanges; however the sales volumes of these specialty flanges are very small relative to the flanges described above. Flanges are produced in a range of sizes from ½ inch to 100 inches in diameter. Flanges that are 24 inches in diameter or less are considered by some U.S. producers to be "commodity" flanges. Integrated producers that forge flanges can make standard and custom sized flanges for customers.

Flanges can be differentiated by their facings, number of bolt holes, pressure ratings, and type of material. Flange facings include flat, raised, tongue and groove, or ring joint for creating various connections with pipes.[24] Flanges also typically come with 4-, 8-, 12- or 16-bolt holes. Additionally, flange pressure classes range from 150 to 2,500, with 150 and 300 being the most common.[25] Lastly, flanges are manufactured in many different types of materials, such as alloy steel, stainless steel, cast iron, aluminum, brass, bronze, plastic, and others in order to match the pipes for connection. Flanges are typically the same material as the system they are connecting. The most common material is carbon steel, produced in accordance with ASTM

[24] Ring type joint flanges are used to ensure a leak-proof flange connection at high pressures. A metal ring is compressed into a hexagonal groove on the face of the flange to make a metal on metal seal. All of the described flanges could be modified to be "ring type" with the addition of a groove.

[25] Pressure classes are defined by ASME or other standards-producing organizations and specify pressure ratings for a range of temperatures.

A105 because of its relatively low cost. Flanges are generally produced in accordance with ASME B16.5 in a number of standard dimensions.[26] Functionally, all flanges are used for the same types of applications, connecting pipes and other components, regardless of the industry to which they are sold.

A substantial share of flange production is consumed in the oil and gas industry as connection components for pipes, valves, and pumps. The oil and gas industry, along with the chemical industry, mostly require flanges for critical applications.[27] According to Indian respondents R N Gupta and Norma (India) in the original investigation, commercial applications, also referred to as "generic applications", are generally building and construction applications and tend to use non-critical flange connections.

Manufacturing process[28]

Flanges are produced from steel billet or hot-rolled bar by a series of major steps:

1. Production of an unfinished forged flange by a closed-die forging process.
2. Heat treating of the unfinished forging (not required for all flanges).
3. Machine finishing of the flange.
4. Marking, coating, and final inspection.

Only finished flanges are subject to these investigations. Unfinished forged flanges, including heat-treated forged flanges, are nonsubject goods. An integrated producer of finished flanges follows all four of the steps shown above, whereas a flange finisher begins at step three.

Flanges are made from steel billet, which must be carefully sorted by heat lot number.[29] The steel billet is heated to forging temperature using inductive ovens, after which it is cut in a

[26] ASME B16.5 is the most commonly used flange specification in the world. It covers weld-neck, slipon, lap joint, threaded, socket welding, and blind flanges.

[27] A situation is considered critical if the area is subject to movement, either from mechanical vibrations or through temperature or pressure expansions and contractions. Butt-welding is mostly used for flanges in critical applications whereas fillet welding or screw connections may be used for non- critical flange connections. Explore the World of Piping website, http://www.wermac.org/flanges/flanges_welding-neck_socket-weld_lap-joint_screwed_blind.html.

[28] Unless otherwise noted, this information is based on Finished Carbon Steel Flanges from Spain, Investigation No. 731-TA-1333 (Final), USITC Publication 4696, June 2017, pp. I-15-I-16.

[29] Heat lot numbers are recorded and verified throughout the entire process to ensure material traceability from steel producer to the final end user.

shearing press. The cut billet piece is then pushed into the forging press where it is located on the blocking station, the proper grain orientation is checked, and the piece is blocked into its pre-forging shape. This blocking operation improves the mechanical properties of the material being forged. The blocked piece is then moved to a set of forging dies where it is shaped to its approximate final appearance. It is then conveyed to the trim press where it receives its final shaping and all excess material is trimmed off the part. For larger forgings, the excess materials cut from the inside of the flanges can be used to produce additional, smaller flange forgings in an integrated press line. Once these parts are completely forged, they are loaded into steel containers for controlled still-air cooling and are then sent to post-forging heat treatment.

Post-forging heat treatment is required for certain flanges that must achieve specified mechanical properties or grain orientation to prevent failure during use. During heat treatment, forgings are heated and cooled under controlled conditions to impart desired properties. First, the forgings are stacked on pallets and placed in ovens where they are heated to temperature. Next, the forgings are either still-air cooled or quenched in a controlled temperature water tank. After cooling to ambient temperature, they are reloaded into ovens for tempering to assure optimal mechanical properties and achieve material hardness. Once cooled, these parts are completed forgings. Some producers operate multiple forging presses simultaneously, producing different sizes and types of flanges with each press.

At this point in the production process, the completed forgings are ready to be transformed into finished carbon steel flanges. The finishing process requires setting up tooling, which includes carbide milling inserts, drilling bits, etc. and is controlled by computer program. This program instructs the machining center to move the tooling and the forging so that the part may be consistently machined. It also warns the operator if the part is out of the dimensions and tolerances set up by the programmer. Each flange goes through a four-stage machining process. The face and internal diameter are machined first, then the back face and outer diameter, followed by drilling/deburring, and lastly stamping for identification and traceability.

Once the flange is completely machined, it is sent to the paint department for coating to prevent rusting during its shelf life. Flanges are dipped in paint rather than sprayed owing to environmental regulations that restrict spraying. This paint is strictly a rust preventative and is usually removed after welding. Upon completion of the painting operation, it is ready for final inspection.

The industry in the United States

U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from 10 firms, which accounted for approximately*** percent of production of flanges in the United States during 2016.[30]

In response to the Commission's notice of institution in these current reviews, domestic interested parties provided a list of 14 known and currently operating U.S. producers of flanges.[31] Two firms providing U.S. industry data in response to the Commission's notice of institution accounted for approximately*** percent of production of flanges in the United States during 2021.[32]

Recent developments

Since the Commission's original investigations, several developments have occurred in the flanges industry. According to domestic interested parties, slowdowns in the oil and gas sector in 2019 and 2020 as a result of the COVID-19 pandemic negatively impacted demand for carbon steel flanges, and demand from the domestic industry is still rebounding. Furthermore, they cited increased costs of materials owing to "supply chain issues as a result of the pandemic that led to drastic increases in carbon steel, a critical input for carbon steel flanges."[33]

Table I-4 presents events since the original investigations.[34]

[30] Investigation Nos. 701-TA-563 and 731-TA-1331-1333 (Final): Finished Carbon Steel Flanges from India, Italy, and Spain, Confidential Report, INV-PP-063, May 11, 2017, as supplemented by INV-PP-098, July 21, 2017, ("Original confidential report"), pp. III-1-2.

[31] Domestic interested parties' response to the notice of institution, June 1, 2022, exh. 4.

[32] Domestic interested parties' supplemental confidential response to the notice of institution, June 16, 2022, p. 2.

[33] Domestic interested parties' response to the notice of institution, June 1, 2022, p. 20. See also Appendix D for supply and demand conditions identified by U.S. purchasers of flanges.

[34] For recent developments, if any, in tariff treatment, please see "U.S. tariff treatment" section.

Table I-4
Flanges: Recent developments

Item	Firm	Event
Acquisition	Forged Components Inc./Western of Texas Flange & Forge	In late 2019, Forged Components Inc. announced its acquisition of the Western of Texas Forge & Flange Company (Kountze, TX). The Western of Texas Forge & Flange Company manufactures pipe flanges and forgings in standard and custom sizes and sells to customers in oil and gas exploration and production, oil refining and processing, petrochemical, chemical, and power generation industries.
Litigation	Weldbend/Boltex and Ulma	In 2020, Judge Andrew S. Hanen of the United States District Court for the Southern District of Texas, Houston Division, issued a permanent injunction and ordered a recall of flanges made by Spanish company Ulma Forja — part of the Mondragon Corp. — and its U.S. subsidiary Ulma Piping. The court found that Ulma, which provides flanges for use in American pipelines, refineries and chemical plants, “intended to deceive customers by mislabeling the flanges,” and did so after 2017, when the original lawsuit was filed. The ruling also ordered Ulma to “recall any product which purports to be normalized,” which has not been normalized per ASTM international standards. It followed a jury verdict in September 2019 in favor of Boltex and Weldbend on all counts in their lawsuit against Ulma for false advertising and unfair competition. The order permanently prohibits Ulma from manufacturing, selling or otherwise distributing, directly or indirectly through distributors, any flange that is marked, engraved, advertised, or labeled as complying with ASTM A105 and ASTM A105N or as being normalized that does not comply with ASTM standards.
Acquisition	AFG Holdings, Inc.	In June 2021, AFG Holdings, Inc (parent company of AFGlobal Corp.) announced that it had acquired Maass Flange Corporation (Houston, TX) and its affiliated operations in Mexico and Canada. Maass Flange Corporation is a manufacturer of alloy, stainless, and nickel alloy flanges serving customers in North America. The new entity will be called ‘Ameriforge LLC’ and will be led by Alex Maass.

Source: AFG Holdings Group, “AFG Holdings Acquires Maass Flange Corporation,” June 8, 2021, https://afgholdings.com/afg-holdings-acquires-maass-flange-corporation/. PR Newswire, “Weldbend And Boltex Prevail As Federal Court Orders Recall Of Ulma's "Dangerous" Pipeline Flanges,” February 10, 2020, https://www.prnewswire.com/news-releases/weldbend-and-boltex-prevail-as-federal-court-orders-recall-of-ulmas-dangerous-pipeline-flanges-301002277.html.

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year reviews.[35] Table I-5 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations.

Table I-5
Flanges: Trade and financial data submitted by U.S. producers, by period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per 1,000 pounds; ratio is in percent

Item	Measure	2014	2015	2016	2021
Capacity	Quantity	***	***	***	***
Production	Quantity	***	***	***	***
Capacity utilization	Ratio	***	***	***	***
U.S. shipments	Quantity	***	***	***	***
U.S. shipments	Value	***	***	***	***
U.S. shipments	Unit value	***	***	***	***
Net sales	Value	***	***	***	***
COGS	Value	***	***	***	***
COGS to net sales	Ratio	***	***	***	***
Gross profit or (loss)	Value	***	***	***	***
SG&A expenses	Value	***	***	***	***
Operating income or (loss)	Value	***	***	***	***
Operating income or (loss) to net sales	Ratio	***	***	***	***

Source: For the years 2014-16, data are compiled using data submitted in the Commission's original investigations. For the year 2021, data are compiled using data submitted by domestic interested parties. Domestic interested parties' response to the notice of institution, June 1, 2022, exh. 9, and supplemental response to the notice of institution, June 16, 2022, exh. 1.

Note: For the years 2014-16,*** is excluded from U.S. producer data due to a related party exclusion.

Note: For a discussion of data coverage, please see "U.S. producers" section.

[35] Individual company trade and financial data are presented in app. B.

Definitions of the domestic like product and domestic industry

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties' provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if "appropriate circumstances" exist.[36]

In its original determinations, the Commission defined a single domestic like product consisting of flanges coextensive with Commerce's scope. In its original determinations, the Commission defined one domestic industry consisting of all domestic producers of flanges, except for one firm, which was excluded from the domestic industry as a related party.[37]

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 26 firms, which accounted for approximately 69.6 percent of total U.S. imports of flanges from India, 24.1 percent of U.S. imports from Italy, 39.5 percent of U.S. imports from Spain, 42.2 percent of U.S. imports from all other sources, and 51.9 percent of total U.S. imports in 2016.[38] Import data presented in the original investigations are based on official Commerce statistics.

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission's notice of institution, the domestic interested parties provided a list of 139 potential U.S. importers of flanges.[39]

[36] Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

[37] 87 FR 25662, May 2, 2022. The excluded firm was***. Domestic interested parties indicate in their response to the notice of institution in these reviews that they do not import subject merchandise and are not aware of any "legal relationship" between subject producers and domestic producers. Domestic interested parties' response to the notice of institution, June 1, 2022, pp. 14, 18.

[38] Original publication, p. IV-1.

[39] Domestic interested parties' response to the notice of institution, June 1, 2022, exh. 5.

U.S. imports

Table I-6 presents the quantity, value, and unit value of U.S. imports from India, Italy, and Spain as well as the other top sources of U.S. imports (shown in descending order of 2021 imports by quantity).

Table I-6
Flanges: U.S. imports, by source and period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per 1,000 pounds

U.S. imports from	Measure	2017	2018	2019	2020	2021
India	Quantity	62,120	123,016	116,762	74,092	115,275
Italy	Quantity	3,230	535	3,465	424	54
Spain	Quantity	13,422	33,330	19,298	8,893	14,934
Subject sources	Quantity	78,772	156,881	139,524	83,409	130,262
China	Quantity	33,074	31,500	23,120	18,537	19,623
Germany	Quantity	16,126	19,407	14,973	7,566	6,597
South Korea	Quantity	24,943	43,897	34,372	8,586	5,708
All other sources	Quantity	9,627	12,191	12,923	7,251	4,456
Nonsubject sources	Quantity	83,769	106,996	85,387	41,940	36,384
All import sources	Quantity	162,541	263,877	224,911	125,348	166,646
India	Value	40,905	89,815	86,762	46,193	89,674
Italy	Value	3,800	1,110	5,525	1,705	506
Spain	Value	13,639	42,847	27,323	11,722	18,124
Subject sources	Value	58,344	133,772	119,610	59,621	108,304
China	Value	35,992	43,398	41,311	24,153	35,995
Germany	Value	16,128	26,111	20,980	10,209	9,561
South Korea	Value	20,299	42,790	35,631	10,163	9,140
All other sources	Value	13,725	17,628	22,217	11,496	10,911
Nonsubject sources	Value	86,143	129,928	120,139	56,021	65,607
All import sources	Value	144,487	263,700	239,748	115,642	173,912
India	Unit value	658	730	743	623	778
Italy	Unit value	1,176	2,073	1,595	4,023	9,412
Spain	Unit value	1,016	1,286	1,416	1,318	1,214
Subject sources	Unit value	741	853	857	715	831
China	Unit value	1,088	1,378	1,787	1,303	1,834
Germany	Unit value	1,000	1,345	1,401	1,349	1,449
South Korea	Unit value	814	975	1,037	1,184	1,601
All other sources	Unit value	1,426	1,446	1,719	1,586	2,449
Nonsubject sources	Unit value	1,028	1,214	1,407	1,336	1,803
All import sources	Unit value	889	999	1,066	923	1,044

Source: Compiled from official Commerce statistics for HTS statistical reporting numbers 7307.91.5010 and 7307.91.5050, accessed June 14, 2022.

Note: Because of rounding, figure may not add to total shown.

Cumulation considerations[40]

In assessing whether imports should be cumulated in five-year reviews, the Commission considers, among other things, whether there is a likelihood of a reasonable overlap of competition among subject imports and the domestic like product. Additional information concerning geographical markets and simultaneous presence in the market is presented below.[41]

Imports from India and Spain were reported in 60 of the 60 months between 2017 and 2021. Imports from Italy were reported in 60 of the 60 months between 2017 and 2021.[42]

The majority of imports from India entered through the southern borders of entry in all years from 2017 through 2021. The largest share of imports of flanges from India in 2021 were entered through the southern border of entry (Houston-Galveston, Texas). The majority of imports from Italy also entered through southern border of entry (Houston-Galveston, Texas) in all years from 2017 through 2020, except in 2021 when most entered through the eastern border of entry (Savannah, Georgia). The majority of imports from Spain entered through southern borders of entry in all years from 2017 through 2020. The largest share of imports of flanges from Spain in 2021 were entered through the southern border of entry (Houston-Galveston, Texas).

Apparent U.S. consumption and market shares

Table I-7 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

[40] Unless otherwise noted, this information is based on official U.S. import statistics for HTS statistical reporting numbers 7307.91.5010 and 7307.91.5050.

[41] In addition, available information concerning subject country producers and the global market is presented in the next section of this report.

[42] In five of the 60 months, imports from Italy were less than 500 pounds.

Table I-7
Flanges: Apparent U.S. consumption and market shares, by source and period

Quantity in 1,000 pounds; value in 1,000 dollars; shares in percent

Source	Measure	2014	2015	2016	2021
U.S. producers	Quantity	***	***	***	***
Excluded U.S. producer	Quantity	***	***	***	NA
India	Quantity	122,354	148,691	82,111	115,275
Italy	Quantity	26,332	31,100	31,599	54
Spain	Quantity	15,377	26,270	18,727	14,934
Subject sources	Quantity	164,063	206,061	132,437	130,262
Nonsubject sources	Quantity	54,421	47,304	34,860	36,384
All import sources	Quantity	218,484	253,365	167,297	166,646
Apparent U.S. consumption	Quantity	385,646	363,214	256,704	***
U.S. producers	Value	***	***	***	***
Excluded U.S. producer	Value	***	***	***	NA
India	Value	83,090	98,213	44,016	89,674
Italy	Value	34,060	35,259	32,765	506
Spain	Value	21,280	28,788	17,951	18,124
Subject sources	Value	138,430	162,259	94,731	108,304
Nonsubject sources	Value	79,669	61,202	41,306	65,607
All import sources	Value	218,484	253,365	167,297	173,912
Apparent U.S. consumption	Value	484,422	405,107	253,318	***
U.S. producers	Share of quantity	***	***	***	***
Excluded U.S. producer	Share of quantity	***	***	***	NA
India	Share of quantity	31.7	40.9	32.0	***
Italy	Share of quantity	6.8	8.6	12.3	***
Spain	Share of quantity	4.0	7.2	7.3	***
Subject sources	Share of quantity	42.5	56.7	51.6	***
Nonsubject sources	Share of quantity	14.1	13.0	13.6	***
All import sources	Share of quantity	56.7	69.8	65.2	***
U.S. producers	Share of value	***	***	***	***
Excluded U.S. producer	Share of value	***	***	***	NA
India	Share of value	17.2	24.2	17.4	***
Italy	Share of value	7.0	8.7	12.9	***
Spain	Share of value	4.4	7.1	7.1	***
Subject sources	Share of value	28.6	40.1	37.4	***
Nonsubject sources	Share of value	16.4	15.1	16.3	***
All import sources	Share of value	45.0	55.2	53.7	***

Source: For the years 2014-16, data are compiled using data submitted in the Commission's original investigations. For the year 2021, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting numbers 7307.91.5010 and 7307.91.5050, accessed June 14, 2022, 2022.

Note: Share of quantity is the share of apparent U.S. consumption by quantity in percent; share of value is the share of apparent U.S. consumption by value in percent.

Note: For a discussion of data coverage, please see "U.S. producers" and "U.S. importers" sections.

The industry in India

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from 12 firms, which accounted for approximately 64.3 percent U.S. imports of flanges from India in 2016.[43] [44]

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested parties provided a list of 35 possible producers of flanges in India.[45]

Table I-8 presents events in the Indian industry since the imposition of the orders.

Table I-8
Flanges: Recent developments in the Indian industry

Item	Firm	Event
Expansion (future)	RN Gupta	In 2018, Indian flange producer RN Gupta filed an environmental impact study for a potential new steel mill with the Indian Ministry of Informatics. The new steel mill would have capacity to produce steel billets, bars, rounds, and squares.

Source: Domestic interested parties' response to the notice of institution, June 1, 2022, exh. 3.

Table I-9 presents export data for iron and steel flanges and forgings, a category that includes flanges and out-of-scope products, from India (by export destination in descending order of quantity for 2021). The United States, Canada, and Kuwait were the leading destinations for exports from India in 2021.

[43] Original publication, p. VII-3.

[44] Most Indian producers were unable to estimate their share of the overall production of flanges in India. For the three firms that did provide estimates, each of the estimated totals was less than actual reported production in 2016.

[45] Domestic interested parties' response to the notice of institution, June 1, 2022, exh.6.

Table I-9
Iron and steel flanges and forgings: Quantity of exports from India, by destination and period

Quantity in 1,000 pounds

Destination market	2017	2018	2019	2020	2021
United States	91,078	155,127	117,033	67,787	137,095
Canada	20,337	26,021	17,804	9,721	15,039
Kuwait	1,428	2,044	1,870	993	3,853
United Arab Emirates	3,978	2,683	2,224	2,065	2,836
Oman	1,198	1,943	805	1,157	2,734
Russia	20	34	1	104	2,235
Mexico	1,508	1,936	1,998	1,636	2,022
United Kingdom	2,433	2,541	1,780	928	1,924
Saudi Arabia	807	1,307	529	637	1,503
Nigeria	233	2,024	1,713	494	1,240
All other markets	13,742	16,959	11,158	10,591	12,433
All markets	136,764	212,619	156,916	96,114	182,915

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 7307.91, accessed June 14, 2022. These data may be overstated as HS subheadings 7307.91 may contain products outside the scope of these reviews.

The industry in Italy

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from five firms, which accounted for approximately 29 percent of production of flanges in Italy during 2016, and approximately*** percent of U.S. imports of flanges from Italy in 2016.[46]

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested parties provided a list of 26 possible producers of flanges in Italy.[47]

Table I-10 presents events in the Italian industry since the imposition of the orders.

[46] Original confidential report, p. VII-11.
[47] Domestic interested parties' response to the notice of institution, June 1, 2022, exh.7.

Table I-10
Flanges: Recent developments in the Italian industry

Item	Firm	Event
Acquisition	Forgital	In 2019, Italian producer of flanges Forgital was purchased by the global investment firm The Carlyle Group. Forgital employs over 1,100 people across 9 facilities in Italy, France, and the United States. In announcing the acquisition, an executive from Carlyle stated that it "looks forward to supporting Forgital's expansion through the creation of a global growth platform, notably in the aerospace sector."
Expansion	ASFO	In 2021, ASFO (Acciai Speciali Forgiati) transferred all production to a new plant in Villamarzana (RO). The company stated that the new plant was built "in order to fulfil the high demanding request of large rings and to guarantee an efficient, agile and flexible supply chain". ASFO was a member of the FOMAS Group.

Source: Carlyle Group news release, "The Carlyle Group to Acquire Forgital, an Italian Specialist Manufacturer for the Aerospace Industry," May 30, 2019, Fomas Group, ASFO S.p.A. website, https://www.fomasgroup.com/production-network/asfo.

Table I-11 presents export data for iron and steel flanges and forgings, a category that includes flanges and out-of-scope products, from Italy (by export destination in descending order of quantity for 2021). The United States, Saudi Arabia, and Germany were the leading destinations for exports from Italy in 2021.

Table I-11
Iron and steel flanges and forgings: Quantity of exports from Italy, by destination and period

Quantity in 1,000 pounds

Destination market	2017	2018	2019	2020	2021
United States	37,552	50,007	34,516	28,077	31,571
Saudi Arabia	23,682	39,669	21,461	20,662	28,630
Germany	36,169	30,443	30,851	19,938	19,649
United Arab Emirates	20,088	17,356	24,141	15,684	13,170
France	8,123	9,279	9,752	6,737	8,135
Canada	16,603	10,436	12,550	7,157	7,297
Netherlands	6,138	7,727	8,688	9,600	5,870
United Kingdom	14,476	9,810	12,103	8,731	5,774
Spain	8,224	6,521	6,700	7,585	5,772
Czech Republic	3,355	5,256	5,416	5,311	3,694
All other markets	77,600	71,823	68,212	79,078	59,347
All markets	252,011	258,328	234,390	208,560	188,907

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 7307.91, accessed June 14, 2022. These data may be overstated as HS subheadings 7307.91 may contain products outside the scope of these reviews.

The industry in Spain

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from one firm, which accounted for*** percent of production of flanges in Spain during 2016, and only a very small percentage of U.S. imports of flanges from Spain during 2016.[48]

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested parties provided a list of seven possible producers of flanges in Spain.[49]

Table I-12 presents events in the Spanish industry since the imposition of the orders.

Table I-12
Flanges: Recent developments in the Spanish industry

Item	Firm	Event
Expansion	AMES	In 2017, AMES, a producer of powder metal components including flanges, announced capacity expansions at its factories in Tamarite de Litera and Montblanc in Spain.

Source: AMES website, "History," https://ames-sintering.com/en-us/history/#1500462092125-8e87f2c5-b6ba7ff1-178b/.

Table I-13 presents export data for iron and steel flanges and forgings, a category that includes flanges and out-of-scope products, from Spain (by export destination in descending order of quantity for 2021). The United States, Saudi Arabia, and Canada were the leading destinations for exports from Spain in 2021.

[48] At the time of original investigations,***. Original confidential report, p. VII-19 and n. 12.
[49] Domestic interested parties' response to the notice of institution, June 1, 2022, exh. 8.

Table I-13
Iron and steel flanges and forgings: Quantity of exports from Spain, by destination and period

Quantity in 1,000 pounds

Destination market	2017	2018	2019	2020	2021
United States	13,523	34,923	18,552	8,887	16,831
Saudi Arabia	9,649	762	1,364	5,311	9,205
Canada	15,143	14,216	12,770	3,493	3,925
France	1,274	2,288	2,286	2,443	2,316
Mexico	518	1,077	353	17	1,923
Netherlands	4,449	3,323	2,625	2,987	1,685
United Arab Emirates	4,236	4,167	7,932	7,002	1,678
United Kingdom	2,932	4,469	5,990	4,345	1,467
Indonesia	448	356	803	743	1,374
Portugal	983	1,257	636	802	1,361
All other markets	19,621	19,968	14,568	12,319	6,403
All markets	72,777	86,806	67,879	48,350	48,168

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 7307.91, accessed June 14, 2022. These data may be overstated as HS subheadings 7307.91 may contain products outside the scope of these reviews.

Third-country trade actions

Based on available information, flanges from India, Italy, and Spain have not been subject to other antidumping or countervailing duty investigations outside the United States.

The global market

Table I-14 presents global export data for iron and steel flanges and forgings, a category that includes flanges and out-of-scope products, by source in descending order of value for 2021. China, Italy, and India were the leading exports, by value, in 2021. China, Italy, and India accounted for 37 percent, 16 percent, and 8 percent of total exports, by value, in 2021, respectively. In 2021, total exports of iron and steel flanges and forgings increased by 14 percent from those in the previous year.

Table I-14
Iron and steel flanges and forgings: Value of global exports by country and period

Value in 1,000 dollars

Exporting country	2017	2018	2019	2020	2021
China	542,495	755,917	698,295	557,805	733,285
Italy	310,771	372,809	355,199	329,065	312,840
India	113,242	184,057	146,986	89,558	155,989
Germany	111,468	137,433	121,794	97,804	110,229
South Korea	110,639	134,083	121,513	109,495	91,913
United States	87,684	96,641	96,414	80,217	85,991
Spain	78,821	105,106	85,364	72,809	74,883
Japan	45,673	49,999	54,952	48,340	58,873
Singapore	33,360	30,770	42,347	33,337	25,767
United Kingdom	32,374	34,128	39,838	37,247	32,357
All other exporters	301,132	355,691	361,973	302,694	313,960
All exporters	1,767,659	2,256,634	2,124,675	1,758,371	1,996,088

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 7307.91, accessed June 14, 2022. These data may be overstated as HS subheadings 7307.91 may contain products outside the scope of these reviews.

Note: Because of rounding, figures may not add to total shown.

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
87 FR 25617 May 2, 2022	*Initiation of Five-Year (Sunset) Reviews*	https://www.govinfo.gov/content/pkg/FR-2022-05-02/pdf/2022-09366.pdf
87 FR 25662 May 2, 2022	*Finished Carbon Steel Flanges From India, Italy, and Spain; Institution of Five-Year Reviews*	https://www.govinfo.gov/content/pkg/FR-2022-05-02/pdf/2022-09278.pdf

APPENDIX B

COMPANY-SPECIFIC DATA

* * * * * * *

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Related Party Exclusion

Table C-2
Flanges: Summary data concerning the U.S. market, excluding U.S. producer *, 2014-16**
(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per 1,000 pounds; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year				Calendar year	
	2014	2015	2016	2014-16	2014-15	2015-16
U.S. consumption quantity:						
Amount	385,646	363,214	256,704	(33.4)	(5.8)	(29.3)
Producers' share (fn1)						
Included producers	***	***	***	***	***	***
Excluded producers	***	***	***	***	***	***
All U.S. producers	43.3	30.2	34.8	(8.5)	(13.1)	4.6
Importers' share (fn1):						
India	31.7	40.9	32.0	0.3	9.2	(9.0)
Italy	6.8	8.6	12.3	5.5	1.7	3.7
Spain	4.0	7.2	7.3	3.3	3.2	0.1
Subject sources	42.5	56.7	51.6	9.0	14.2	(5.1)
Nonsubject sources	14.1	13.0	13.6	(0.5)	(1.1)	0.6
All import sources	56.7	69.8	65.2	8.5	13.1	(4.6)
U.S. consumption value:						
Amount	484,422	405,107	253,318	(47.7)	(16.4)	(37.5)
Producers' share (fn1)						
Included producers	***	***	***	***	***	***
Excluded producers	***	***	***	***	***	***
All U.S. producers	55.0	44.8	46.3	(8.7)	(10.1)	1.5
Importers' share (fn1):						
India	17.2	24.2	17.4	0.2	7.1	(6.9)
Italy	7.0	8.7	12.9	5.9	1.7	4.2
Spain	4.4	7.1	7.1	2.7	2.7	(0.0)
Subject sources	28.6	40.1	37.4	8.8	11.5	(2.7)
Nonsubject sources	16.4	15.1	16.3	(0.1)	(1.3)	1.2
All import sources	45.0	55.2	53.7	8.7	10.1	(1.5)
U.S. imports from:						
India						
Quantity	122,354	148,691	82,111	(32.9)	21.5	(44.8)
Value	83,090	98,213	44,016	(47.0)	18.2	(55.2)
Unit value	$679	$661	$536	(21.1)	(2.7)	(18.8)
Ending inventory quantity	27,212	44,075	29,556	8.6	62.0	(32.9)
Italy						
Quantity	26,332	31,100	31,599	20.0	18.1	1.6
Value	34,060	35,259	32,765	(3.8)	3.5	(7.1)
Unit value	$1,293	$1,134	$1,037	(19.8)	(12.4)	(8.5)
Ending inventory quantity	***	***	***	***	***	***
Spain						
Quantity	15,377	26,270	18,727	21.8	70.8	(28.7)
Value	21,280	28,788	17,951	(15.6)	35.3	(37.6)
Unit value	$1,384	$1,096	$959	(30.7)	(20.8)	(12.5)
Ending inventory quantity	***	***	***	***	***	***
Subject sources:						
Quantity	164,063	206,061	132,437	(19.3)	25.6	(35.7)
Value	138,430	162,259	94,731	(31.6)	17.2	(41.6)
Unit value	$844	$787	$715	(15.2)	(6.7)	(9.2)
Ending inventory quantity	43,882	63,329	44,735	1.9	44.3	(29.4)
Nonsubject sources:						
Quantity	54,421	47,304	34,860	(35.9)	(13.1)	(26.3)
Value	79,669	61,202	41,306	(48.2)	(23.2)	(32.5)
Unit value	$1,464	$1,294	$1,185	(19.1)	(11.6)	(8.4)
Ending inventory quantity	8,489	7,627	7,666	(9.7)	(10.2)	0.5
All import sources:						
Quantity	218,484	253,365	167,297	(23.4)	16.0	(34.0)
Value	218,099	223,461	136,037	(37.6)	2.5	(39.1)
Unit value	$998	$882	$813	(18.5)	(11.6)	(7.8)
Ending inventory quantity	52,371	70,956	52,401	0.1	35.5	(26.2)
U.S. producers' (excluding ***):						
Average capacity quantity	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***
Capacity utilization (fn1)	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***

Table continued on next page.

Table C-2--continued
Flanges: Summary data concerning the U.S. market, excluding U.S. producer *, 2014-16**
(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per 1,000 pounds; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year			Calendar year		
	2014	2015	2016	2014-16	2014-15	2015-16
U.S. producers' (excluding ***):--Continued						
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Inventories/total shipments (fn1)	***	***	***	***	***	***
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***	***
Hourly wages (dollars)	***	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Net income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
Unit net income or (loss)	***	***	***	***	***	***
COGS/sales (fn1)	***	***	***	***	***	***
Operating income or (loss)/sales (fn1)	***	***	***	***	***	***
Net income or (loss)/sales (fn1)	***	***	***	***	***	***

Note.—This table presents the performance of the domestic industry exclusive of ***. While U.S. producers' market shares and trade data differ from those presented in table C-1 as a result of this exclusion, U.S. producers' financial data ***.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Undefined.

Source: Official U.S. import statistics for HTS statistical reporting numbers 7307.91.5010 and 7307.91.5050 and compiled from data submitted in response to Commission

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it provided emails for the following six firms as top purchasers of finished carbon steel flanges: ***. Purchaser questionnaires were sent to these six firms and five firms (***) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for finished carbon steel flanges that have occurred in the United States or in the market for finished carbon steel flanges in India, Italy, and/or Spain since the respective *Order Dates*?

Purchaser	Yes / No	Changes that have occurred
***	***	***.
***	***	***.
***	***	***.

Note: The *Order Date* concerning finished carbon steel flanges from Spain is June 14, 2017 and the *Order Date* concerning finished carbon steel flanges from India and Italy is August 24, 2017.

Table continued.

Purchaser	Yes / No	Changes that have occurred
***	***	***.
***	***	***.

Note: The *Order Date* concerning finished carbon steel flanges from Spain is June 14, 2017 and the *Order Date* concerning finished carbon steel flanges from India and Italy is August 24, 2017.

2. Do you anticipate any significant changes in the supply and demand conditions for finished carbon steel flanges in the United States or in the market for finished carbon steel flanges in India, Italy, and/or Spain within a reasonably foreseeable time?

Purchaser	Yes / No	Anticipated changes
***	***	***.
***	***	***.
***	***	***.
***	***	***.
***	***	***.