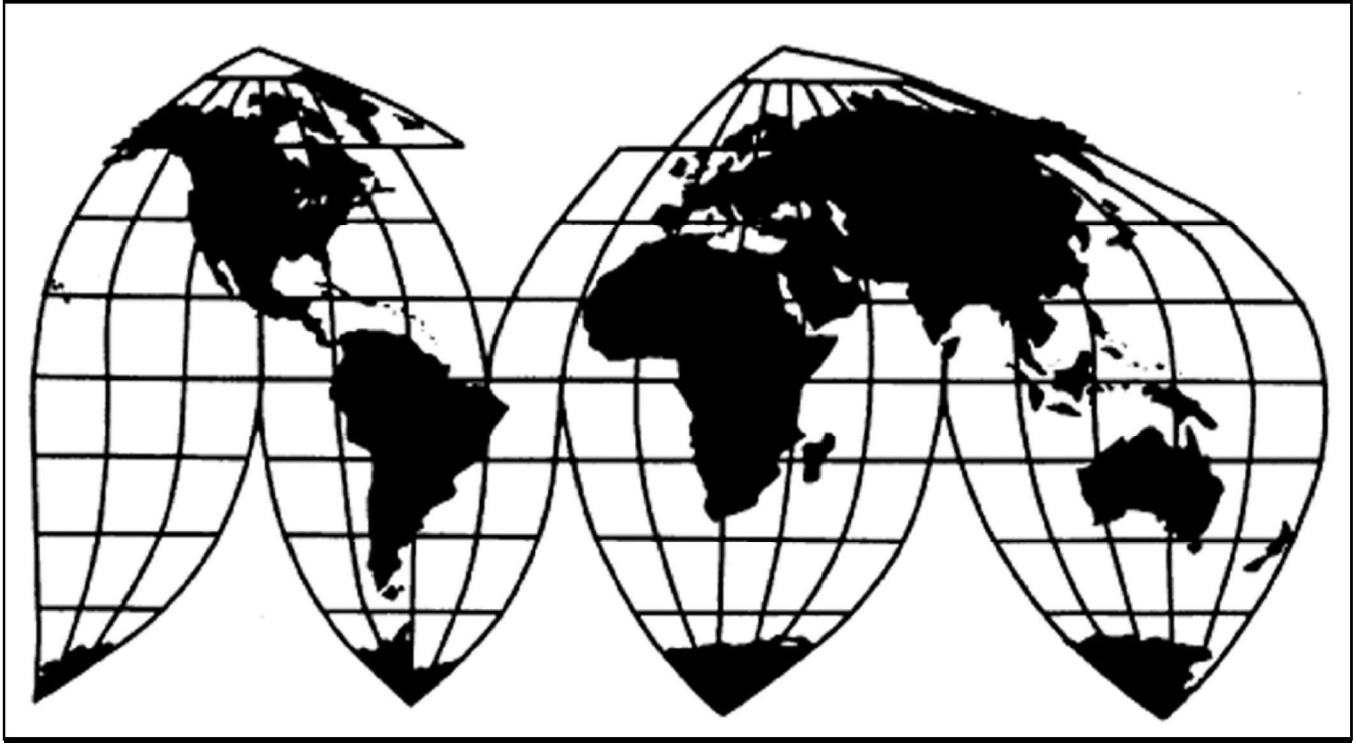
Stainless Steel Flanges from China and India

Investigation Nos. 701-TA-585-586 and 731-TA-1383-1384 (Review)

Publication 5467 **October 2023**

U.S. International Trade Commission



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U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-585-586 and 731-TA-1383-1384 (Review)

Stainless Steel Flanges from China and India

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 and antidumping duty orders on stainless steel flanges from China and India would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[2]

BACKGROUND

The Commission instituted these reviews on May 1, 2023 (88 FR 26592) and determined on August 4, 2023 that it would conduct expedited reviews (88 FR 63124, September 14, 2023).

[1] The record is defined in § 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(f)).

[2] Commissioner Randolph J Stayin not participating.

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 antidumping and countervailing duty orders on certain stainless steel flanges ("SS flanges") from China and India 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

A. The Original Investigations

On August 16, 2017, the Coalition of American Flange Producers filed countervailing and antidumping duty petitions concerning SS flanges from China and India on behalf of itself and its individual members, Maass Flange Corporation ("Maass") and Core Pipe Products, Inc. ("Core Pipe"), domestic producers of SS flanges.[1] On April 12, 2018, the U.S. Department of Commerce ("Commerce") determined that subject imports from China were subsidized.[2] In May 2018, the Commission found that a domestic industry was materially injured by reason of subsidized imports of SS flanges from China.[3] On June 5, 2018, Commerce issued a countervailing duty order on SS flanges from China.[4] On June 11, 2018, Commerce determined that subject imports from China were being sold at less-than-fair-value ("LTFV").[5] In July 2018, the Commission found that a domestic industry was materially injured by reason of LTFV imports of SS flanges from China.[6] On August 1, 2018, Commerce issued an antidumping duty

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[1] *Stainless Steel Flanges from China*, Inv. No. 731-TA-1383 (Final), USITC Pub. 4807 at 3 (July 2018) ("China AD Original Determination"); *see also Stainless Steel Flanges from China*, Inv. No. 701-TA-585 (Final), USITC Pub. 4788 at 3 (May 2018) ("China CVD Original Determination"). Although the petitions were filed on the same day, the investigation schedules for China and India became staggered when the U.S. Department of Commerce ("Commerce") aligned only the final antidumping and countervailing duty determinations concerning SS flanges from India and postponed its final determinations in those investigations, thereby necessitating earlier separate final determinations by the Commission in the antidumping and countervailing duty investigations concerning SS flanges from China. China AD Original Determination, USITC Pub. 4807 at 3; China CVD Original Determination, USITC Pub. 4788 at 3 n.1; *Stainless Steel Flanges from India*, Inv. Nos. 701-TA-586 and 731-TA-1384 (Final), USITC Pub. 4828 at 3 n.1 (Sept. 2018) ("India Original Determinations").

[2] *Countervailing Duty Investigation of Stainless Steel Flanges From the People's Republic of China: Final Affirmative Determination*, 83 Fed. Reg. 15790 (Apr. 12, 2018).

[3] China CVD Original Determination, USITC Pub. 4788.

[4] *Stainless Steel Flanges From the People's Republic of China: Countervailing Duty Order*, 83 Fed. Reg. 26006 (June 5, 2018).

[5] *Stainless Steel Flanges From the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 83 Fed. Reg. 26959 (June 11, 2018).

[6] China AD Original Determination, USITC Pub. 4807.

order on SS flanges from China.[7] On August 16, 2018, Commerce determined that subject imports from India were being sold at LTFV and were being subsidized.[8] In September 2018, the Commission found that a domestic industry was materially injured by reason of LFTV imports of SS flanges from India and by reason of subsidized imports of SS flanges from India.[9] On October 5, 2018, and October 9, 2018, Commerce issued countervailing duty and antidumping duty orders, respectively, on SS flanges from India.[10]

B. The Current Reviews

On May 1, 2023, the Commission instituted these first five-year reviews.[11] On May 31, 2023, Kerkau Manufacturing ("Kerkau"), a domestic producer and importer of SS flanges from India, and Core Pipe[12] (collectively, "domestic interested parties"), each filed a response to the notice of institution.[13] No respondent interested party responded to the notice of institution or participated in these reviews. On August 4, 2023, the Commission determined that the domestic interested parties' group response to its notice of institution was adequate, and the respondent interested party group responses were inadequate with respect to China and

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[7] *Stainless Steel Flanges From the People's Republic of China: Antidumping Duty Order*, 83 Fed. Reg. 37468 (Aug. 1, 2018).

[8] *Stainless Steel Flanges From India: Final Affirmative Determination of Sales at Less Than Fair Value and Final Affirmative Critical Circumstance Determination*, 83 Fed. Reg. 40745 (Aug. 16, 2018); *Stainless Steel Flanges From India: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances*, 83 Fed. Reg. 40748 (Aug. 16, 2018).

[9] India Original Determinations, USITC Pub. 4828. The Commission also made a negative critical circumstances determination regarding subject imports in the antidumping and countervailing duty investigations of SS flanges from India. *Id.* at 7.

[10] *Stainless Steel Flanges From India: Antidumping Duty Order*, 83 Fed. Reg. 50639 (Oct. 9, 2018); *Stainless Steel Flanges From India: Countervailing Duty Order*, 83 Fed. Reg. 50336 (Oct. 5, 2018).

[11] *Stainless Steel Flanges From China and India; Institution of Five-Year Reviews*, 88 Fed. Reg. 26592 (May 1, 2023). In accordance with section 751(c) of the Tariff Act, Commerce also published a notice of initiation of a five-year review of the antidumping and countervailing duty orders on the same date. *Initiation of Five-Year (Sunset) Reviews*, 88 Fed. Reg. 26522 (May 1, 2023).

[12] Core Pipe also provided information on behalf of Ameriforge, a U.S. integrated producer. Response of Core Pipe Products, Inc. to Notice of Institution at 1, 3, EDIS No. 797511 (May 31, 2023) ("Core Pipe's Response").

[13] Core Pipe's Response; Response of Kerkau Manufacturing to Notice of Institution, EDIS No. 797507 (May 31, 2023) ("Kerkau's Response"); *see also* Supplemental Response of Kerkau Manufacturing to Notice of Institution, EDIS No. 798067 (June 7, 2023) ("Kerkau's First Supplemental Response"); Supplemental Response of Kerkau Manufacturing to Notice of Institution, EDIS No. 799149 (June 22, 2023) ("Kerkau's Second Supplemental Response"); Supplemental Response of Core Pipe Products, Inc. to Notice of Institution, EDIS No. 799125 (June 22, 2023) ("Core Pipe's Supplemental Response").

India.[14] Finding no other circumstances that would warrant conducting full reviews, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Tariff Act.[15] The domestic interested parties filed comments with the Commission pursuant to 19 C.F.R. § 207.61(d) regarding the determinations that the Commission should reach.[16]

U.S. industry data in these reviews are based on information supplied by the domestic interested parties in their responses to the notice of institution, estimated to have accounted for *** percent of domestic production of SS flanges in 2022.[17] U.S. import data and related information are based on Commerce's official import statistics.[18] Foreign industry data and related information are based on information from the original investigations, information submitted by the domestic interested parties in these expedited reviews, and publicly available information compiled by the Commission.[19] Additionally, one firm, ***, identified by the domestic interested parties as a top U.S. purchaser of SS flanges, responded to the Commission's adequacy phase questionnaire.[20]

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."[21] 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."[22] The Commission's

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[14] Explanation of Commission Determination on Adequacy, EDIS No. 802608 (Aug. 17, 2023). The response of Kerkau, whose imports accounted for *** percent of imports, was found to be individually adequate. However, the firm supports continuation of the orders covering imports of stainless steel flanges from China and India. *Id.*; Confidential Report, Memorandum INV-VV-060 (July 24, 2023) ("CR"), Public Report, *Stainless Steel Flanges from China and India*, Inv. Nos. 701-TA-585-586 and 731-TA-1383-1384 (Review), USITC Pub. 5467 (October 2023) ("PR") at Table I-2.

[15] Explanation of Commission Determination on Adequacy.

[16] Five-Year ("Sunset") Review of the Antidumping and Countervailing Duty Orders on Stainless Steel Flanges from China and India — Core Pipe's Final Comments, EDIS No. 804749 (Sept. 25, 2023); Stainless Steel Flanges from China and India: Kerkau Manufacturing Final Comments, EDIS No. 804882 (Sept. 26, 2023).

[17] *See* CR/PR at Table I-2.

[18] CR/PR at Tables I-6, I-7. Import data are compiled from official Commerce statistics for HTS statistical reporting numbers 7307.21.1000 and 7307.21.5000. *Id.*

[19] CR/PR at Tables I-9, I-10, I-11, I-12.

[20] CR/PR at D-3. Purchaser questionnaires were sent to three largest purchasers of SS flanges, as identified by the domestic interested parties. *Id.*

[21] 19 U.S.C. § 1677(4)(A).

[22] 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.* (Continued…)

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.[23]

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

> The products covered by the *Order* are certain forged[24] stainless steel flanges, whether unfinished, semifinished, or finished (certain forged stainless steel flanges). Certain forged stainless steel flanges are generally manufactured to, but not limited to, the material specification of ASTM/ASME A/SA182 or comparable domestic or foreign specifications. Certain forged stainless steel flanges are made in various grades such as, but not limited to, 304, 304L, 316, and 316L (or combinations thereof). The term "stainless steel" used in this scope refers to an alloy steel containing, by actual weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements.
>
> Unfinished stainless steel flanges possess the approximate shape of finished stainless steel flanges and have not yet been machined to final specification after the initial forging or like operations. These machining processes may include, but are not limited to, boring, facing, spot facing, drilling, tapering, threading, beveling, heating, or compressing. Semi-finished stainless steel flanges are unfinished stainless steel flanges that have undergone some machining processes.
>
> The scope includes six general types of flanges. They are: (1) Weld neck, generally used in butt-weld line connection; (2) threaded, generally used for threaded line connections; (3) slip-on, generally used to slide over pipe; (4) lap joint, generally used with stub-ends/butt-weld line connections; (5) socket weld, generally used to fit pipe into a machine recession; and (6) blind, generally used to seal off a line. The sizes and descriptions of the flanges within the scope include all pressure classes of ASME B16.5 and range from one-half inch to twenty-four inches nominal pipe size. Specifically excluded from the scope of this order are cast stainless steel flanges. Cast stainless steel flanges generally are manufactured to specification ASTM A351.

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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).

[23] *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).

[24] Forging is the manufacturing process where metal is pressed, pounded, or squeezed under great pressure into high strength parts know as forgings. The process normally (but not always) involves preheating the metal to a desired temperature before it is worked. CR/PR at I-11 n.40.

> The country of origin for certain forged stainless steel flanges, whether unfinished, semi-finished, or finished is the country where the flange was forged. Subject merchandise includes stainless steel flanges as defined above that have been further processed in a third country. The processing includes, but is not limited to, boring, facing, spot facing, drilling, tapering, threading, beveling, heating, or compressing, and/or any other processing that would not otherwise remove the merchandise from the scope of the order if performed in the country of manufacture of the stainless steel flanges.
>
> Merchandise subject to the *Order* is typically imported under subheadings 7307.21.1000 and 7307.21.5000 of the Harmonized Tariff Schedule of the United States (HTSUS). While HTSUS subheadings and ASTM specifications are provided for convenience and customs purposes, the written description of the scope is dispositive.[25]

Flanges can be made from a variety of materials (*e.g.*, cast iron, carbon steel, stainless steel, etc.) and are used to connect together pipe sections and piping components to form a piping system.[26] Stainless steel pipes and flanges are generally used in piping systems that require corrosion resistance, contamination prevention, resistance to temperature extremes (high or low), or pressure containment.[27] In general, pipes and flanges made from stainless steel are highly durable but more expensive than those made from carbon steel, resulting in more demanding applications for SS flanges than carbon steel flanges.[28] For example, SS flanges are used in oil and gas refineries, nuclear power plants, chemical syntheses plants, paper mills, and food processing facilities.[29]

The manufacturing process for SS flanges involves three main steps: forging, heat treatment, and finishing.[30] Integrated manufacturers perform all of these steps to produce a

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[25] CR/PR at I-6 to I-7; *Stainless Steel Flanges From the People's Republic of China: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order*, 88 Fed. Reg. 60640 (Sept. 5, 2023), and the accompanying *Issues and Decision Memorandum*, Case No. C-570-065, EDIS Doc. No. 803742 at 2-3 (Aug. 28, 2023); *Stainless Steel Flanges From India and the People's Republic of China: Final Results of the Expedited First Sunset Reviews of the Antidumping Duty Orders*, 88 Fed. Reg. 60642 (Sept. 5, 2023) and the accompanying *Issues and Decision Memorandum*, Case Nos. A–533–877 and A–570–064, EDIS No. 803742 at 2-3 (Aug. 28, 2023); *Stainless Steel Flanges From India: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order*, 88 Fed. Reg. 60181 (Aug. 31, 2023) and the accompanying *Issues and Decision Memorandum*, Case No. C–533–878, EDIS No. 803742 at 2-3 (Aug. 24, 2023).

[26] CR/PR at I-8 to I-11.

[27] CR/PR at I-11.

[28] CR/PR at I-11.

[29] China CVD Original Determination, USITC Pub. 4788 at 6.

[30] CR/PR at I-11.

finished SS flange from stainless steel billets or bars.[31] Converters, or non-integrated finishers, typically purchase forgings or semi-finished flanges and perform finishing steps to produce finished flanges.[32]

Stainless steel forgings are made from stainless steel billet or bar that is cut to size according to the input weight and length requirements of the subsequent flange.[33] The forging process begins when the billet or bar is heated to forging temperature and then moved to an electro-hydraulic forging hammer which "forges" it into a shape that imparts the general dimensions of the finished flange.[34] The forged material is then conveyed to a trim press where it receives its final shaping by trimming off the excess material.[35] Once forged, the part is sent for post-forging heat treatment, which is required for certain flanges to impart specified mechanical properties or grain structure.[36] When cooled, the forgings are ready to be transformed into finished SS flanges, a process which involves further machining, drilling, deburring, and marking.[37] After finishing, the flanges are ready for shipment to the end user.[38]

In the original investigations, the Commission defined a single domestic like product consisting of SS flanges, finished and unfinished, coextensive with Commerce's scope.[39] The Commission applied its semi-finished products analysis in determining that unfinished flanges and finished flanges were appropriately within a single domestic like product definition.[40]

In these first five-year reviews, the record does not contain any new information suggesting that the pertinent product characteristics and uses of SS flanges have changed since the original investigations.[41] The domestic interested parties argue that the Commission should adopt the domestic like product definition from the original investigations.[42] Accordingly, we again define the domestic like product as SS flanges, finished and unfinished, 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

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[31] CR/PR at I-11.
[32] CR/PR at I-11 to I-12.
[33] CR/PR at I-12.
[34] CR/PR at I-12.
[35] CR/PR at I-12.
[36] CR/PR at I-12.
[37] CR/PR at I-12 to I-13.
[38] CR/PR at I-13.
[39] China CVD Original Determination, USITC Pub. 4788 at 7.
[40] China CVD Original Determination, USITC Pub. 4788 at 7.
[41] *See* CR/PR at I-8 to I-13.
[42] Kerkau's Response at 21; Core Pipe's Response at 20.

the product."[43] In defining the domestic industry, the Commission's general practice has been 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.

1. Sufficient Production-Related Activities

In deciding whether a firm qualifies as a domestic producer of the domestic like product, the Commission generally analyzes the overall nature of a firm's U.S. production-related activities; production-related activity at minimum levels could be insufficient to constitute domestic production.[44]

Original Investigations. The Commission found that, on balance, non-integrated producers of finished SS flanges engaged in sufficient production-related activities to be included in the domestic industry with integrated U.S. producers.[45] Although the record on technical expertise needed for finishing operations was mixed, non-integrated producers accounted for a substantial number of production-related workers and hours worked of U.S. producers.[46] The Commission further found that the value added by finishing operations was substantial and that finishing operations required frequent and significant capital investments.[47] Moreover, the Commission found that although non-integrated producers sourced fewer flanges domestically than integrated producers, such imports were necessary because few domestically produced unfinished flanges were commercially available to non-integrated producers' finishing operations.[48] Accordingly, the Commission defined the domestic industry to be all producers of SS flanges, including both integrated domestic producers and non-integrated domestic producers that engage in only finishing operations.

Current Reviews. Nothing in the record of these expedited five-year reviews indicates that the nature of the production-related activities conducted by non-integrated producers of finished SS flanges have changed since the original investigations.[49] Both Kerkau and Core Pipe state that they agree with the domestic industry definition.[50] Therefore, we again find that

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[43] 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.

[44] The Commission generally considers six factors: (1) source and extent of the firm's capital investment; (2) technical expertise involved in U.S. production activities; (3) value added to the product in the United States; (4) employment levels; (5) quantity and type of parts sourced in the United States; and (6) any other costs and activities in the United States directly leading to production of the like product. No single factor is determinative and the Commission may consider any other factors it deems relevant in light of the specific facts of any investigation. *Crystalline Silica Photovoltaic Cells and Modules from China*, Inv. Nos. 701-TA-481 and 731-TA-1190 (Final), USITC Pub. 4360 at 12-13 (Nov. 2012).

[45] China CVD Original Determination, USITC Pub. 4788 at 11.

[46] China CVD Original Determination, USITC Pub. 4788 at 11.

[47] China CVD Original Determination, USITC Pub. 4788 at 11.

[48] China CVD Original Determination, USITC Pub. 4788 at 11.

[49] *See*, *generally*, CR/PR; Kerkau's Response; Core Pipe's Response.

[50] Kerkau's Response at 21; Core Pipe's Response at 20.

non-integrated producers engage in sufficient production-related activities to qualify as domestic producers and define the domestic industry to include all producers of SS flanges.

2. Related Parties

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[51] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[52]

Original Investigations. Four U.S. producers – Ameriforge, Core Pipe, Kerkau, and Maass – imported subject merchandise and thus qualified for possible exclusion under the related parties provision.[53] The Commission found that appropriate circumstances did not exist to exclude any of the producers because the primary interest of each producer was in domestic production.[54]

Current Reviews. In these reviews, Core Pipe is potentially subject to the related parties provision because it ***.[55] The information available indicates that *** exported SS flanges to the United States during the period of review, as Core Pipe states that *** is export-oriented, with the United States as one of its major customers.[56] However, there is no information on the record indicating that Core Pipe's *** in *** created any control relationship between Core

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[51] *See Torrington Co v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem.,* 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

[52] The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

(1) the percentage of domestic production attributable to the importing producer;

(2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);

(3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;

(4) the ratio of import shipments to U.S. production for the imported product; and

(5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp. 3d 1314, 1326-31 (Ct. Int'l. Trade 2015), aff'd, 839 F.3d 1377 (Fed. Cir. 2018); *see also Torrington Co. v. United States*, 790 F. Supp. at 1168.

[53] China CVD Original Determination, USITC Pub. 4788 at 12.

[54] *See* China CVD Original Determination, USITC Pub. 4788 at 12-15; Confidential Opinion in *Stainless Steel Flanges from China*, Inv. No 701-TA-585 (Final), EDIS Doc. No. 646482, (May 30, 2018) ("Confidential China CVD Original Determination") at 17-22.

[55] Core Pipe's Response at 17.

[56] Core Pipe's Response at 8.

Pipe and ***, as would be necessary for Core Pipe to qualify as a related party.[57]

Kerkau qualifies for possible exclusion under the related parties provision because ***.[58] It was *** responding domestic producer in 2022, accounting for *** percent of reported non-integrated finisher production that year.[59] In 2022, Kerkau imports of subject merchandise were equivalent to *** percent of its domestic production that year.[60]

However, all of the SS flanges that ***.[61] In the original investigations, the Commission found that Kerkau had to import unfinished SS flanges for its finishing operations because domestically produced unfinished SS flanges were largely unavailable, and there is no new information on the record of these expedited reviews indicating that this situation has changed.[62] For these reasons, we find that appropriate circumstances do not exist to exclude Kerkau from the domestic industry under the related parties provision.

In sum, consistent with our definition of the domestic like product, we define the domestic industry as all U.S. producers of finished and unfinished SS flanges, including both integrated and non-integrated domestic producers.

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.[63]

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[57] 19 U.S.C. § 1677(4)(B)(ii). Even if Core Pipe were to qualify as a related party, however, we would find that appropriate circumstances do not exist for its exclusion. Core Pipe was the *** responding domestic producer in 2022, accounting for *** percent of reported non-integrated finisher production that year. CR/PR at Table B-2. Core Pipe ***, and there is no indication that its ownership interest in *** had the effect of shielding it from the effects of subject imports. Core Pipe's Response at 17; see also Core Pipe's Supplemental Response at 3. The record of these reviews thus provides no indication that Core Pipe's inclusion would skew the data for the domestic industry.

[58] Kerkau's Response at Exhibit 7; *see also* Core Pipe's Response at 17.

[59] CR/PR at Table B-2.

[60] CR/PR at Tables B-2, B-5.

[61] Kerkau's Second Supplemental Response at 3.

[62] *See, generally*, CR/PR; Kerkau's Response; Core Pipe's Response; China CVD Original Determination, USITC Pub. 4788 at 11.

[63] 19 U.S.C. § 1675a(a)(7).

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.[64] 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.

B. The Original Investigations and Arguments of the Parties

Original Investigations. The Commission found that subject imports from China and India were fungible with one another and with the domestic like product, and SS flanges manufactured in China, India, and the United States were sold simultaneously in overlapping geographical markets and through the same channels of distribution.[65] The Commission therefore found a reasonable overlap of competition between and among SS flanges from China, India, and the United States, and assessed subject imports from China and India on a cumulated basis.[66]

Current Reviews. The domestic interested parties argue that the Commission should again cumulate subject imports from China and India, as it did in the original investigations, because the same conditions continue to prevail. They argue that subject imports from China and India, considered individually, are not likely to have no discernible adverse impact on the domestic industry if the orders were revoked, that there continues to be a reasonable overlap of competition between and among the subject imports and the domestic like product, and that subject imports from each source are likely to compete under similar conditions of competition in the event of revocation.[67]

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[64] 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).

[65] China CVD Original Determination, USITC Pub. 4788 at 17.

[66] China CVD Original Determination, USITC Pub. 4788 at 17.

[67] Core Pipe's Response at 4-6; Kerkau's Response at 3-4.

C. Analysis

The statutory threshold for cumulation is satisfied in these five-year reviews because all reviews were initiated on the same day, May 1, 2023.[68]

In addition, we consider the following issues in deciding whether to exercise our discretion to cumulate the subject imports: (1) whether imports from any of the subject countries are precluded from cumulation because they are likely to have no discernible adverse impact on the domestic industry; (2) whether there is a likelihood of a reasonable overlap of competition among subject imports and the domestic like product; and (3) whether subject imports are likely to compete in the U.S. market under different conditions of competition.

1. 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.[69] 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.[70] With respect to this provision, 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 five-year reviews, we do not find that imports from China or India, considered individually, would likely have no discernible adverse impact on the domestic industry in the event of revocation of the relevant antidumping and countervailing duty orders.

China. In the original investigations, the volume of subject imports from China declined from 7.2 million pounds in 2015 to 5.4 million pounds in 2016, and then increased to 6.5 million pounds in 2017.[71] In 2017, the responding Chinese producers reported capacity of *** pounds, production of *** pounds, and a capacity utilization rate of *** percent.[72] They reported exports of *** pounds, and *** percent of their total shipments were exported to the United

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[68] *Initiation of Five-Year (Sunset) Reviews*, 88 Fed. Reg. 26522 (May 1, 2023); *Stainless Steel Flanges From China and India; Institution of Five-Year Reviews*, 88 Fed. Reg. 26592 (May 1, 2023).

[69] 19 U.S.C. § 1675a(a)(7).

[70] SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

[71] CR/PR at Tables I-7, C-1.

[72] Confidential China and India Final Determination Staff Report, Memorandum INV-QQ-048 (Apr. 27, 2018), EDIS Doc. 643460, at Table VII-3.

States.[73]

In these first five-year reviews, subject imports from China declined from 8.4 million pounds in 2018, to 3.7 million pounds in 2019, and 2.2 million pounds in 2020, before increasing to 3.4 million pounds in 2021, and 4.4 million pounds in 2022.[74] Subject imports from China accounted for *** percent of apparent U.S. consumption in 2022.[75]

The record of these five-year reviews contains limited information concerning the SS flanges industry in China because no producer in China responded to the notice of institution.[76] Domestic interested parties provided a list of 88 possible producers of SS flanges in China,[77] and further assert that subject producers in China maintain the capacity to significantly increase their exports to the United States after revocation.[78] Core Pipe submitted information from company websites indicating that four subject Chinese producers alone currently possess capacity of 105.8 million pounds.[79]

Global Trade Atlas ("GTA") data indicate that exports from China of SS flanges under HS subheading 7307.21, a category that also includes out-of-scope products, fluctuated during the period of review ("POR") from a low of 137.8 million pounds in 2020 to a high of 152.3 million pounds in 2019.[80] These data also show that China was the world's largest exporter of such merchandise throughout the POR.[81]

In the original investigations, subject imports from China undersold the domestic like product in all 60 quarterly price comparisons at underselling margins that averaged 44.2 percent.[82] No product-specific pricing data concerning SS flanges from China were obtained in these expedited reviews.

In light of the foregoing, including the significant volume of subject imports from China in the original investigations, the substantial decline in that volume following imposition of the orders reflecting the disciplining effect of the orders, the continued presence of subject imports from China in the U.S. market during the POR, the large size and exports of the subject industry in China, and the underselling by subject imports from China during the original investigations, we find that subject imports from China would not likely have no discernible adverse impact on the domestic industry if the antidumping and countervailing duty orders covering these imports were revoked.

India. In the original investigations, the volume of subject imports from India decreased from 23.3 million pounds in 2015 to 17.7 million pounds in 2016, before increasing to 28.4

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[73] Confidential China and India Final Determination Staff Report, Memorandum INV-QQ-048 (Apr. 27, 2018), EDIS Doc. 643460, at Table VII-3.

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

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

[76] *See* CR/PR at I-2.

[77] CR/PR at I-22; Core Pipe's Response at Exh. 8; Kerkau's First Supplemental Response at Att. 1.

[78] Core Pipe's Response at 8-9, Exhibit 4; Kerkau's Response at 5-6.

[79] Core Pipe's Response at 8-9, Exhibit 4. This information also indicates that the "inventory turnover" of a fifth subject Chinese producer is 19.8 million pounds per year. *Id.*

[80] CR/PR at Table I-12.

[81] CR/PR at I-28, Table I-12.

[82] China CVD Original Determination, USITC Pub. 4788 at Table V-10b.

million pounds in 2017.[83] In 2017, the responding Indian producers reported capacity of *** pounds, production of *** pounds, and a capacity utilization rate of *** percent.[84] They reported exports of *** million pounds, and *** percent of their total shipments were exported to the United States.[85]

In these first five-year reviews, subject imports from India increased from 19.9 million pounds in 2018 to 25.1 million pounds in 2019, declined to 13.3 million pounds in 2020 and 10.2 million pounds in 2021, before increasing to 15.8 million pounds in 2022.[86] Subject imports from India accounted for *** percent of apparent U.S. consumption in 2022.[87]

The record of these five-year reviews contains limited information concerning the SS flanges industry in India because no producer in India responded to the notice of institution.[88] Domestic interested parties provided a list of 69 possible producers of SS flanges in India,[89] and further assert that subject producers in India maintain the capacity to significantly increase their exports to the United States after revocation.[90] Core Pipe submitted information from company websites indicating that nine subject Indian producers alone possess current capacity of 312.8 million pounds.[91]

GTA data indicate that exports from India of SS flanges under HS subheading 7307.21, a category that also includes out-of-scope products, fluctuated during the POR from a low of 51.4 million pounds in 2020 to a high of 86.5 million pounds in 2018.[92] These data also show that India was the world's second largest exporter of SS flanges during the POR, and that the United States was the largest destination market for such exports throughout the period.[93]

In the original investigations, subject imports from India undersold the domestic like product in all 60 quarterly price comparisons at underselling margins that averaged 53.3 percent.[94] No product-specific pricing data concerning SS flanges from India were obtained in these expedited reviews.

In light of the foregoing, including the significant and increasing volume of subject imports from India in the original investigations, the substantial decline in that volume following imposition of the orders reflecting the disciplining effect of the orders, the continued presence of subject imports from India in the U.S. market, the large size and exports of the subject industry in India, and the underselling by subject imports from India during the original

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[83] CR/PR at Tables I-7, C-1.

[84] Confidential China and India Final Determination Staff Report, Memorandum INV-QQ-048 (Apr. 27, 2018), EDIS Doc. 643460, at Table VII-8.

[85] Confidential China and India Final Determination Staff Report, Memorandum INV-QQ-048 (Apr. 27, 2018), EDIS Doc. 643460, at Table VII-8.

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

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

[88] *See* CR/PR at I-2.

[89] CR/PR at I-25; Core Pipe's Response at Exh. 8; Kerkau's First Supplemental Response at Att. 1.

[90] Core Pipe's Response at 9-10; Kerkau's Response at 7-8.

[91] *See* Core Pipe's Response at 9-10, Exhibit 4.

[92] CR/PR at Table I-12.

[93] CR/PR at I-28, Tables I-11-12.

[94] China CVD Original Determination, USITC Pub. 4788 at Table V-10b.

investigations, we find that subject imports from India would not likely have no discernible adverse impact on the domestic industry if the antidumping and countervailing duty orders covering these imports were revoked.

2. 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 product.[95] Only a "reasonable overlap" of competition is required.[96] 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.[97]

Fungibility. In the original investigations, the Commission found that subject imports and the domestic like product were sufficiently fungible for purposes of cumulation.[98] The Commission observed that domestic producers reported that SS flanges from China, India, and the United States were "always," "frequently," or "sometimes" interchangeable, while the vast majority of U.S. importers and purchasers reported that such products were "always" or "frequently" interchangeable.[99] Additionally, it noted that the vast majority of U.S. producers, importers, and purchasers reported that non-price differences between SS flanges from each source were "sometimes" or "never" significant, and purchasers most frequently cited price or total cost as an important purchasing factor.[100]

In these five-year reviews, there is no new information in the record to indicate that the degree of fungibility between and among subject imports from China and India and the

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[95] 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).

[96] *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).

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

[98] China CVD Original Determination, USITC Pub. 4788 at 16-17.

[99] China CVD Original Determination, USITC Pub. 4788 at 16.

[100] China CVD Original Determination, USITC Pub. 4788 at 16-17.

domestic like product has changed since the original investigations. Domestic interested parties contend that SS flanges continue to be fungible regardless of source and sold largely based on price.[101]

Channels of Distribution. In the original investigations, the Commission found that the vast majority of SS flanges from China, India, and the United States were sold to distributors.[102] In these five-year reviews, there is no new information on the record to indicate that the channels of distribution used by the domestic industry and imports from each subject country have changed since the original investigations.

Geographic Overlap. In the original investigations, the Commission found that subject imports from China and India and domestically produced SS flanges were sold in all regions of the United States.[103] In the current reviews, the record shows that subject imports from China and India entered the United States through all four general borders of entry during the POR.[104]

Simultaneous Presence in Market. In the original investigations, the Commission found that imports from each subject country and domestically produced SS flanges were simultaneously present in the U.S. market throughout the period of investigation.[105] In the current reviews, imports of SS flanges from China and India were present in all 60 months of the POR.[106]

Conclusion. The record in these five-year reviews indicates that subject imports from India and China overlapped in their geographic distribution and were simultaneously present in the market in all months of the POR. The record contains limited information concerning fungibility and channels of distribution, however, the record contains no new information suggesting a change in the considerations that led the Commission in the original investigations to conclude that there was a reasonable overlap of competition. 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 SS flanges from China and India and the domestic like product, if the orders were revoked.

3. Likely Conditions of Competition

In determining whether to exercise our discretion to cumulate the subject imports, we consider whether subject imports from China and India would likely compete under similar or different conditions in the U.S. market after revocation of the orders. The record in these five-year reviews contains limited current information about the SS flanges industries in China and India and the U.S. market for SS flanges. The limited information on the record indicates that China and India continue to have large SS flanges industries and export substantial quantities of SS flanges. Based on the information available, and in the absence of any argument to the contrary, we do not find any likely significant differences in conditions of competition that

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[101] Core Pipe Response at 13; Kerkau's Response at 3-4.
[102] China CVD Original Determination, USITC Pub. 4788 at 17.
[103] China CVD Original Determination, USITC Pub. 4788 at 17.
[104] CR/PR at I-20.
[105] China CVD Original Determination, USITC Pub. 4788 at 17.
[106] CR/PR at I-20.

would warrant not cumulating subject imports from China and India.

4. Conclusion

In sum, we determine that subject imports from China and India, considered individually, are not likely to have no discernible adverse impact on the domestic industry if the corresponding orders were revoked. We also find that there would likely be a reasonable overlap of competition between and among subject imports from China and India and the domestic like product if the orders were revoked. Finally, we do not find any likely significant differences in conditions of competition that would warrant not cumulating subject imports from China and India. We therefore exercise our discretion to cumulate subject imports China and India for purposes of our analysis in these five-year 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."[107] 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 elimination of its restraining effects on volumes and prices of imports."[108] Thus, the likelihood standard is prospective in nature.[109] 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

[107] 19 U.S.C. § 1675a(a).

[108] 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.

[109] 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.

Commission applies that standard in five-year reviews.[110]

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."[111] 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."[112]

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."[113] It directs the Commission to take into account its prior injury 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).[114] 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.[115]

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

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[110] *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'").

[111] 19 U.S.C. § 1675a(a)(5).

[112] 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*.

[113] 19 U.S.C. § 1675a(a)(1).

[114] 19 U.S.C. § 1675a(a)(1). Commerce has made no duty absorption findings concerning SS flanges from China and India. *See generally, Issues and Decision Memorandum*, Case No. C-570-065, EDIS Doc. No. 803742 (Aug. 28, 2023); *Issues and Decision Memorandum*, Case Nos. A–533–877 and A–570–064, EDIS No. 803742 (Aug. 28, 2023); *Issues and Decision Memorandum*, Case No. C–533–878, EDIS No. 803742 (Aug. 24, 2023).

[115] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

or relative to production or consumption in the United States.[116] 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.[117]

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.[118]

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.[119] 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.[120]

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the SS flanges industry in China and India. There also is limited information on the SS flanges market in the United States during the POR. Accordingly, for our determination, we rely as appropriate on the facts available from the

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[116] 19 U.S.C. § 1675a(a)(2).

[117] 19 U.S.C. § 1675a(a)(2)(A-D).

[118] *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.

[119] 19 U.S.C. § 1675a(a)(4).

[120] 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.

original investigations, and the limited new information 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."[121] The following conditions of competition inform our determinations.

1. Demand Conditions

Original Investigations. The Commission observed that demand for SS flanges is driven by demand for downstream products.[122] The Commission further found that SS flanges are used to connect piping systems in refineries, power plants, and pulp/paper plants, among others.[123] Apparent U.S. consumption declined from *** pounds in 2015 to *** pounds in 2016, before increasing to *** pounds in 2017.[124]

Current Reviews. The information available indicates demand for SS flanges continues to be driven by demand for downstream products, primarily for use in refining operations in the oil and gas market.[125] Domestic interested parties argue that demand for SS flanges decreased as the COVID-19 pandemic affected global oil and gas markets but rebounded in 2022, as energy prices stabilized and geopolitical developments increased demand for domestically produced petroleum products.[126]

Apparent U.S. consumption of SS flanges was *** pounds in 2022, up from *** pounds in 2017.[127]

2. Supply Conditions

Original Investigations. Domestically produced SS flanges were the smallest source of SS flanges in the U.S. market during the POI, accounting for *** percent of apparent U.S. consumption in 2017.[128] Cumulated subject imports were the largest source of SS flanges in the

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[121] 19 U.S.C. § 1675a(a)(4).

[122] China CVD Original Determination, USITC Pub. 4788 at 21.

[123] China CVD Original Determination, USITC Pub. 4788 at 21.

[124] Confidential China and India Final Determination Staff Report, Memorandum INV-QQ-048 (Apr. 27, 2018), EDIS Doc. 643460, at Table IV-14. Information for 2015-2017 are compiled from data submitted in response to Commission questionnaires and official U.S. imports statistics using HTS statistical reporting numbers 7307.21.1000 and 7307.21.5000. *Id.*

[125] CR/PR at I-15.

[126] CR/PR at I-15; Core Pipe's Response at 19-20; Kerkau's Response at 20.

[127] CR/PR at Table I-7. For 2022, U.S. producers' shipments are compiled from the domestic interested parties' responses to the notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting numbers 7307.21.1000 and 7397.21.5000. *Id.*

[128] China CVD Original Determination, USITC Pub. 4788 at 23; CR/PR at Table I-7.

U.S. market, accounting for *** percent of apparent U.S. consumption in 2017, with a dip in market share in 2016 due to a limited exclusion order issued under section 337 of the Tariff Act against one of the major producers of SS flanges in India.[129] Nonsubject imports were the second largest source of SS flanges in the U.S. market during the POI, accounting for *** percent of apparent U.S. consumption in 2017.[130] The largest sources of nonsubject imports during the POI were Canada, the Philippines, Mexico, and Germany.[131]

The Current Reviews. The domestic industry was the smallest source of SS flanges in the U.S. market in 2022, accounting for *** percent of apparent U.S. consumption that year.[132] On June 21, 2021, AFG Holdings, owner of domestic producer Ameriforge, acquired domestic producer Maass Flange Corporation.[133]

Subject imports were the second largest source of SS flanges in the U.S. market in 2022, accounting for *** percent of apparent U.S. consumption that year.[134] Nonsubject imports were the largest source of SS flanges in the U.S. market in 2022, accounting for *** percent of apparent U.S. consumption that year.[135] The largest sources of nonsubject imports in 2022 were South Korea, Vietnam, and Italy.[136] Antidumping duty orders were imposed on nonsubject imports from Italy, Malaysia, and the Philippines in 1999, and these orders were continued after conclusion of the fourth five-year reviews in April 2023.[137]

Responding purchaser *** reported that, ***.[138]

3. Substitutability and Other Conditions

The Original Investigations. The Commission found that there was a high degree of substitutability between subject imports and the domestic like product and that price played an important role in purchasing decisions.[139] The Commission also found that being on an approved manufacturer list ("AML") did not substantially affect the substitutability of the domestic like product and subject merchandise, even though both domestic producers and importers reported that a portion of their shipments required an AML listing.[140] In addition, the Commission found that the raw material for producers that engage in forging or integrated production of SS flanges was stainless steel billet or bar, while the raw material for finishers was unfinished or semifinished flanges.[141]

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[129] China CVD Original Determination, USITC Pub. 4788 at 22; CR/PR at Table I-7.
[130] China CVD Original Determination, USITC Pub. 4788 at 22; CR/PR at Table I-7.
[131] China CVD Original Determination, USITC Pub. 4788 at 22.
[132] CR/PR at Table I-7.
[133] CR/PR at Table I-4.
[134] CR/PR at Table I-7.
[135] CR/PR at Table I-7.
[136] CR/PR at Table I-6.
[137] CR/PR at Table I-3.
[138] CR/PR at D-4.
[139] China CVD Original Determination, USITC Pub. 4788 at 23-25.
[140] China CVD Original Determination, USITC Pub. 4788 at 24-25.
[141] China CVD Original Determination, USITC Pub. 4788 at 25.

The Current Reviews. The record of these reviews contains no new information indicating that the degree of substitutability between the domestic like product and subject imports or the importance of price has changed since the original investigations.[142] Domestic interested parties contend that the U.S. market for SS flanges remains price sensitive based on the substitutable nature of the product.[143] Accordingly, we again find a high degree of substitutability between subject imports and the domestic like product, and that price is an important factor in purchasing decisions.

Effective August 23, 2018, SS flanges from China became subject to an additional 10 percent *ad valorem* duty under section 301 of the Trade Act of 1974.[144] On May 10, 2019, the duty was increased to 25 percent *ad valorem*.[145]

C. Likely Volume of Subject Imports

The Original Investigations. The Commission found that the volume of cumulated subject imports and the increase in that volume was significant both in absolute terms and relative to consumption in the United States.[146] Cumulated subject import volume increased irregularly from *** pounds in 2015 to *** pounds in 2017, while cumulated subject imports as a share of apparent U.S. consumption increased irregularly from *** percent in 2015 to *** percent in 2017.[147] The Commission observed that subject imports had a significant presence throughout the POI, and that subject import volumes followed trends in apparent U.S. consumption.[148] The Commission further observed that, while cumulated subject imports declined to a greater extent than apparent U.S. consumption between 2015 and 2016, cumulated subject imports increased more than apparent U.S. consumption in 2017.[149] As a result, cumulated subject imports gained market share at the expense of the domestic industry during the POI.[150]

The Current Reviews. Cumulated subject imports of SS flanges maintained a significant presence in the U.S. market throughout the POR, although the volume of subject imports was substantially lower than during the original investigations due to the disciplining effects of the orders.[151] The volume of cumulated subject imports declined from 35.0 million pounds in 2017 to 28.4 million pounds in 2018, rose slightly to 28.8 million pounds in 2019, dropped to 15.5 million pounds in 2020 and 13.6 million pounds in 2021, before rising again to 20.2 million

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[142] *See generally* CR/PR; Core Pipe's Response; Kerkau's Response.

[143] Core Pipe's Response at 13; Kerkau's Response at 19.

[144] CR/PR at I-8.

[145] CR/PR at I-8. Stainless steel flanges are not subject to additional duties or quotas under section 232 of the Trade Expansion Act of 1962, as amended. *Id.*

[146] China CVD Original Determination, USITC Pub. 4788 at 26.

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

[148] China CVD Original Determination, USITC Pub. 4788 at 25-26.

[149] China CVD Original Determination, USITC Pub. 4788 at 26.

[150] China CVD Original Determination, USITC Pub. 4788 at 26.

[151] *See* CR/PR at Table I-7; Core Pipe's Response at 7; Kerkau's Response at

pounds in 2022, equivalent to *** percent of apparent U.S. consumption that year.[152]

The record in these five-year reviews contains limited information on the subject industries in China and India. The information available, however, indicates that subject producers have the means to increase their exports of SS flanges to the U.S. market to significant levels if the orders were revoked. As previously discussed, the domestic interested parties have identified 88 possible producers of SS flanges in China and 69 possible producers of SS flanges in India.[153] The record supports that the subject industries are large producers and exporters of subject merchandise. According to information submitted by the domestic interested parties, there are numerous large subject Chinese and Indian producers and exporters, and some have plans to expand capacity and/or production.[154] This same information indicates that four subject Chinese producers alone currently possess capacity of 95.8 million pounds, while nine subject Indian producers alone currently possess capacity of

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

[153] CR/PR at I-22, I-25.

[154] CR/PR at I-23 to I-26. According to the information submitted by domestic interested parties regarding Chinese producers, Shanxi Tianbao Group Co. announced that the company's goal in 2023 was to lift the output of flanges to $138.7 million from $111.0 million in 2022. *Id.* at Table I-8. Both-Well (Jiangyan) Steel Fittings Co., Ltd. has an annual capacity to produce 11.0 million pounds of SS flanges and promotes exports. *Id.* at I-23. Jaingyin Shengda Brite Line Kasugai Flange Co., Lts. has an annual capacity to produce 6.6 million pounds of carbon and SS flanges and is export-oriented. *Id.* Jiangsu Wujin Stainless Steel Pipe Group Co., Ltd. has an annual capacity of 22.1 million pounds of fittings and flanges and is export-oriented. *Id.* Qiangdao I-Flow Co., Ltd. is sells SS flanges to more than 30 countries. *Id.* Shandong Baixinxin Metal Products Co., Ltd. has an annual turnover of more than 19.8 million pounds and exports to more than 50 countries, including the United States. *Id.* Shanxi Guanjianying Flange Forging Co., Ltd. has an annual capacity to produce 66.1 million pounds of various types of flanges and forgings. *Id.* Wuxi Jingxin Precision Machinery Co., Ltd. exports 90 percent of its production, with North America as one of its major markets. *Id.*

According to the information submitted by domestic interested parties regarding Indian producers, Jay Jagdamba Stainless Steel Ltd. announced plans to increase the production capacity of one of its plants to 10,000 metric tons a month, and already has an annual capacity to produce 7.3 million pounds of SS flanges. *Id.* at Table I-10. Viraj Profiles Ltd purchased several new machines to "enhance its production capacity" and "to meet the increasing demand for quality stainless steel flanges." *Id.* Balkrishna Steel Forge Pvt. Ltd. has an annual capacity to produce 24.3 million pounds of fittings and flanges. *Id.* at I-26. BFN Forgings Private Limited has an annual capacity to produce 21.3 million pounds of carbon and SS flanges and fittings. *Id.* Chandan Steel Limited has an annual capacity to produce 33.1 million pounds of machined flanges. *Id.* CHW Forge Private has an annual capacity of 89.3 million pounds of forged products including SS flanges and exports account for more than 50 percent of its sales. *Id.* Echjay Forgings Pvt. Has an annual capacity of 66.1 million pounds for forgings. *Id.* Goodluck Engineering Co. has an annual capacity of 39.7 million pounds of steel products including SS flanges. *Id.* Hilton Metal Forging Limited has an annual capacity to produce 31.7 million pounds of flanges, fittings, and rings. *Id.* Kissan Die Tech Private Ltd. forges more than 18.7 million pounds of product each year, including SS flanges. *Id.* Paramount Forge is among India's leading manufacturers of steel forgings and is export-oriented. *Id.*

312.8 million pounds.[155]

Additionally, GTA data supports that subject producers in China and India are large exporters. According to that data, China's exports of SS flanges under HS subheading 7307.21, which also includes out-of-scope products, increased from 144.3 million pounds in 2018 to 152.3 million pounds in 2019, declined to 137.8 million pounds in 2020, and then increased to 140.6 million pounds in 2021, and 144.0 million pounds in 2022.[156] GTA data show that India's exports of such merchandise declined from 86.5 million pounds in 2018, to 71.3 million pounds in 2019, and 51.4 million pounds in 2020, before increasing to 80.7 million pounds in 2021, and 84.2 million pounds in 2022.[157] These data also indicate that China and India were the world's first and second largest exporters of such merchandise during the POR, respectively, accounting for 36 percent and 21 percent of total global exports in 2022.[158]

Available information also indicates that the U.S. market remains attractive to subject producers. First, cumulated subject imports maintained a significant presence in the U.S. market throughout the POR, accounting for *** percent of apparent U.S. consumption in 2022,[159] thereby maintaining ready distribution networks and customers in the United States. According to GTA data, the United States was the top destination market for SS flanges exported from India in 2022.[160] Antidumping and countervailing duty orders on similar products imported from China and India, such as stainless butt-weld fittings and carbon flanges, indicate that subject producers in China and India remain interested in serving the U.S. market.[161]

Given the foregoing, including the significant and increasing volume of cumulated subject imports during the original investigations, the continued significant presence of cumulated subject imports in the U.S. market during the POR, the subject industries' substantial capacity and large volume of exports, and the attractiveness of the U.S. market to subject producers, 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.[162]

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[155] *See* Core Pipe's Response at 8-10, Exhibit 4.

[156] CR/PR at Table I-9. These data may be overstated as HS subheading 7307.21 may contain products outside the scope of these reviews. *Id.*

[157] CR/PR at Table I-11. These data may be overstated as HS subheading 7307.21 may contain products outside the scope of these reviews. *Id.*

[158] CR/PR at Table I-12. These data may be overstated as HS subheading 7307.21 may contain products outside the scope of these reviews. *Id.*

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

[160] CR/PR at Table I-7. These data may be overstated as HS subheading 7307.21 may contain products outside the scope of these reviews. *Id.*

[161] *See* CR/PR at Table I-3. SS flanges from China and India have not been subject to any known trade actions in third country markets. CR/PR at I-27.

[162] Although subject imports from China are currently subject to a 25 percent duty under Section 301, neither the domestic interested parties nor the responding purchaser indicated that this duty would prevent cumulated subject imports from entering the U.S. market at significant levels if the (Continued…)

D. Likely Price Effects

The Original Investigations. The Commission found widespread underselling by the subject imports from China and India.[163] Specifically, the Commission found that cumulated subject imports undersold the domestic like product in all 120 quarterly price comparisons, involving 409,724 pieces of subject imports, at underselling margins that averaged 48.7 percent.[164] The Commission further found that of 27 responding purchasers, 18 had reported that subject import prices were lower than prices for the domestic like product and 16 had reported purchasing subject imports instead of the domestic like product due to price, including 12 that reported purchasing *** pounds of subject imports instead of the domestic like product due to price.[165] Noting that these confirmed lost sales were consistent with the shift in market share from the domestic industry to subject imports over the POI, the Commission found that subject import underselling was significant.[166] The Commission concluded that the significant volume of cumulated subject imports that had undersold the domestic like product caused the domestic industry to lose sales and market share to subject imports.[167] Consequently, the Commission found that cumulated subject imports had significant price effects.[168]

The Current Reviews. As discussed in section IV.B.3 above, we continue to find that subject imports and the domestic like product are highly substitutable and that price remains an important factor in purchasing decisions.

The record in these expedited five-year reviews does not contain recent product-specific pricing information. Based on the high degree of substitutability between subject imports and the domestic like product and the importance of price in purchasing decisions, we find that the likely significant volume of subject imports would likely undersell the domestic like product to a significant degree, as during the original investigations, as a means of gaining market share.[169] Absent the discipline of the orders, the likely significant volumes of low-priced subject imports would force the domestic industry to lower prices or forgo needed price increases, or else lose

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orders were revoked. *See, generally,* Core Pipe's Response; Kerkau's Response; CR/PR at D-3-4. Furthermore, the duty did not prevent the volume of cumulated subject imports from increasing irregularly by 30.6 percent from 2020 to 2022. CR/PR at Table I-6.

The record of these expedited reviews does not contain information concerning inventories of the subject merchandise.

[163] China CVD Original Determination, USITC Pub. 4788 at 28.

[164] China CVD Original Determination, USITC Pub. 4788 at 28. Underselling margins ranged from 7.6 percent to 64.1 percent. *Id.* at 28 n.157.

[165] China CVD Original Determination, USITC Pub. 4788 at 28-29; Confidential China CVD Original Determination at 42.

[166] China CVD Original Determination, USITC Pub. 4788 at 30.

[167] China CVD Original Determination, USITC Pub. 4788 at 30.

[168] China CVD Original Determination, USITC Pub. 4788 at 30.

[169] According to information submitted by Core Pipe, the average unit value ("AUV") of cumulated subject imports was $3.57 per pound in 2022, which was 29.2 percent lower than the AUV of nonsubject imports ($5.04 per pound), and *** percent lower than the AUV of U.S. producer commercial shipments ($*** per pound), in that same year. Core Pipe Response at 14, Exhibits 1, 3.

sales and market share to subject imports. Consequently, we find that if the orders were to be revoked, subject imports would likely have significant price effects.

E. Likely Impact

The Original Investigations. The Commission found that, while apparent U.S. consumption increased to its highest level of the POI in 2017, significant volumes of low-priced subject imports took market share from the domestic industry, thereby reducing the industry's net sales.[170] Additionally, the Commission observed that the domestic industry operated at low capacity utilization rates throughout the POI, indicating an ability to supply more SS flanges to the U.S. market.[171] The Commission acknowledged that while the domestic industry was profitable and experienced improvements in certain financial indicators during the POI, these improvements were concurrent with the industry's costs declining more than prices.[172] The Commission found that, as a result of the domestic industry's loss of market share to cumulated subject imports, the industry's output, revenues, and financial performance were lower than they would otherwise have been in an expanding market, and that subject imports therefore had a significant adverse impact on the domestic industry.[173]

The Commission also considered whether other factors may have had an impact on the domestic industry during the POI.[174] The Commission noted that while apparent U.S. consumption decreased between 2015 and 2016, the domestic industry's shipments declined to a greater degree. Apparent U.S. consumption then grew between 2016 and 2017 to a level higher than in 2015, while domestic shipments increased only modestly.[175] The Commission thus found that changes in apparent U.S. consumption did not explain the observed declines in the domestic industry's shipments and market share.[176]

The Commission rejected respondents' argument that shifts in market share were attributable to the domestic industry's own imports of subject merchandise.[177]

The Commission also rejected respondents' argument that the domestic industry had benefited from its own imports of subject merchandise, explaining that, while declining costs for finishing-only operations resulted from declining prices for imported forgings, non-integrated producers also reported declining COGS over the POI, including declines in raw material costs, direct labor, and other factory costs that could not be attributed to their imports

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[170] China CVD Original Determination, USITC Pub. 4788 at 31, 33.
[171] China CVD Original Determination, USITC Pub. 4788 at 33.
[172] China CVD Original Determination, USITC Pub. 4788 at 33.
[173] China CVD Original Determination, USITC Pub. 4788 at 33.
[174] China CVD Original Determination, USITC Pub. 4788 at 33.
[175] China CVD Original Determination, USITC Pub. 4788 at 33-34.
[176] China CVD Original Determination, USITC Pub. 4788 at 34.
[177] China CVD Original Determination, USITC Pub. 4788 at 34. As the Commission explained, the share of cumulated subject imports controlled by domestic producers declined during the POI, as cumulated subject import volume increased. *Id.*

of subject merchandise.[178]

The Commission also considered the role of nonsubject imports.[179] It observed that, although nonsubject imports gained market share between 2015 and 2016 due to a limited exclusion order against subject merchandise from subject producer Viraj, cumulated subject import volumes recovered in 2017 and took market share from both nonsubject imports and the domestic industry.[180] The Commission found that nonsubject imports could not explain the domestic industry's declining shipments and market share over the POI.[181]

The Current Reviews. The record in these five-year reviews contains limited information concerning the domestic industry's performance since the original investigations.

The information available indicates that the domestic industry's performance in 2022 was mixed compared to its performance in the last year examined in the original investigations. The domestic integrated producers' capacity and production in 2022, at *** pounds and *** pounds, respectively, were *** than in 2017.[182] Capacity utilization, however, *** to *** percent in 2022.[183]

Domestic non-integrated finishers' capacity, at *** pounds, and production, at *** pounds, were *** in 2022 than in 2017.[184] Capacity utilization was ***, however, at *** percent in 2022.[185]

The average unit value ("AUV") of the overall SS flanges domestic industry's U.S. shipments was *** in 2022, at $*** per pound, than in 2017.[186] However, the domestic industry's U.S. shipments were *** in 2022 than in 2017 in terms of both volume, at *** pounds, and value, at $***.[187]

Although the domestic industry's net sales value was *** in 2022 than in the 2017, at $***, so too was the industry's COGS-to-net-sales ratio, at *** percent, which caused the industry's operating income as a share of net sales to be ***, at *** percent.[188] Nevertheless, the domestic industry's gross profit, at $***, and operating income, at $***, were *** in 2022

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[178] China CVD Original Determination, USITC Pub. 4788 at 34-35. The Commission observed that domestic producers maintained significant labor and other factory costs during the POI, while operating at low capacity utilization rates. *Id.*

[179] China CVD Original Determination, USITC Pub. 4788 at 35.

[180] China CVD Original Determination, USITC Pub. 4788 at 35.

[181] China CVD Original Determination, USITC Pub. 4788 at 36.

[182] CR/PR at Table I-5. Domestic integrated producers' capacity was *** pounds and production was *** pounds in 2017. *Id.*

[183] CR/PR at Table I-5. Domestic integrated producers' capacity utilization was *** percent in 2017. *Id.*

[184] CR/PR at Table I-5. Domestic non-integrated finishers' production was *** pounds in 2017. *Id.*

[185] CR/PR at Table I-5. Domestic non-integrated finishers' capacity utilization was *** percent in 2017. *Id.*

[186] CR/PR at Table I-5. U.S. producers' AUV was $*** per pound in 2017. *Id.*

[187] CR/PR at Table I-5. Domestic shipments were *** pounds worth $*** in 2017. *Id.*

[188] CR/PR at Table I-5. In 2017, the domestic industry's net sales value was $***, its COGS-to-net-sales ratio was *** percent, and its operating income as a share of net sales was *** percent. *Id.*

than in 2017.[189] The limited information on the record 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.

Based on the information available, 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 and the importance of price to purchasers, significant volumes of low-priced subject imports would likely capture sales and market share from the domestic industry and/or force domestic producers to lower their prices or forgo needed price increases in order to maintain their sales, thereby depressing or suppressing prices for the domestic like product to a significant degree. The likely significant volume of subject imports and their likely price effects would negatively affect the domestic industry's capacity, production, capacity utilization, shipments, and market share, which would in turn negatively impact the industry's profitability and employment. Consequently, we conclude that if the orders were revoked, cumulated subject imports from China and India would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports. Nonsubject imports increased as a share of apparent U.S. consumption since the original investigations, accounting for *** percent of apparent U.S. consumption in 2022 as compared to *** percent in 2017.[190] Nevertheless, the record provides no indication that the presence of nonsubject imports would prevent cumulated subject imports from China and India from significantly increasing their presence in the U.S. market after revocation, given the large size and export orientation of the subject industries and the relative attractiveness of the U.S. market. Given the high degree of substitutability between subject imports and the domestic like product and the importance of price to purchasing decisions, the significant volume of low-priced cumulated subject imports that we have found likely after revocation would likely take market share from the domestic industry, as well as from nonsubject imports, and/or force domestic producers to either lower prices or forgo price increases to retain market share. Consequently, we find that any future effects of nonsubject imports would be distinct from the likely effects attributable to cumulated subject imports, and nonsubject imports would not prevent subject imports from having a significant impact on the domestic industry.

In sum, we conclude that if the order were revoked, subject imports of SS flanges from China and India would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

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[189] CR/PR at Table I-5. The domestic industry's gross profit was $*** and its operating income was $*** in 2017. *Id.*

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

V. Conclusion

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

Information obtained in these reviews

Background

On May 1, 2023, 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 antidumping and countervailing duty orders on stainless steel flanges from China and India would likely lead to the continuation or recurrence of material injury to a domestic industry.[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
Stainless steel flanges: Information relating to the background and schedule of this proceeding

Effective date	Action
May 1, 2023	Notice of initiation by Commerce (88 FR 26522, May 1, 2023)
May 1, 2023	Notice of institution by Commission (88 FR 26592, May 1, 2023)
August 4, 2023	Commission's vote on adequacy
August 31, 2023	Commerce's results of its expedited reviews; India CVD (88 FR 60181, August 31, 2023), China and India AD (88 FR 60642, September 5, 2023), and China CVD (88 FR 60640, September 5, 2023)
October 19, 2023	Commission's determinations and views

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

[2] 88 FR 26592, May 1, 2023. 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. 88 FR 26522, May 1, 2023. 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 two submissions in response to its notice of institution in the subject reviews. They were filed on behalf of the following entities:

1. Ameriforge and Core Pipe Products, Inc. ("Core Pipe"), domestic producers of stainless steel flanges[5]
2. Kerkau Manufacturing ("Kerkau"), a domestic producer of stainless steel flanges and a U.S. importer of stainless steel flanges from India[6]

Ameriforge, Core Pipe, and Kerkau are 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 or explain deficiencies in their responses and to provide clarifying details where appropriate. A summary of the number of responses and estimates of coverage for each is shown in table I-2.

Table I-2
Stainless steel flanges: Summary of responses to the Commission's notice of institution

Interested party	Number of firms	Coverage
U.S. producer	3	***%
U.S. importer (India)	1	***%

Note: The U.S. producer coverage figure presented is the domestic interested parties' estimate of their share of total U.S. production of stainless steel flanges during 2022. Core Pipe / Ameriforge's supplemental response to the notice of institution, June 22, 2023, p. 2.

Note: The U.S. importer coverage figure is the estimated share of the quantity of total U.S. imports of stainless steel flanges from India in 2022 accounted for by U.S. producer and importer Kerkau. The estimate was calculated as the quantity of reported imports (*** pounds) divided by the quantity of total U.S. imports from India reported for 2022 in Commerce's official import statistics (15.843 million pounds). Kerkau's supplemental response to the notice of institution, June 7, 2023, att. 1.

[5] On June 8, 2021, AFG Holdings acquired Maass Flange Corporation ("Maass") (a petitioner in the original investigations) which is now part of Ameriforge, an AFG Holdings company. Data for Ameriforge appear in exhibit 1 (also including an indication of willingness to participate) and exhibit 2 of the May 31, 2023 submission in response to the notice of institution, which advocates the consideration of the response as being filed on behalf of both companies for purposes of the adequacy vote. Core Pipe / Ameriforge's response to the notice of institution, May 31, 2023, pp. 1-3 and exhibits 1 and 2.

[6] Kerkau supports the continuation of the orders covering imports of stainless steel flanges from China and India. Kerkau's supplemental response to the notice of institution, June 7, 2023, att. 1.

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 or full reviews from domestic interested parties. The domestic interested parties request that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on stainless steel flanges.[7]

The original investigations

The original investigations resulted from petitions filed on August 16, 2017 with Commerce and the Commission by Core Pipe, Carol Stream, Illinois, and Maass, Houston, Texas.[8] On April 12, 2018, Commerce determined that imports of stainless steel flanges were being subsidized by the Government of China[9] and the Commission determined on May 29, 2018 that the domestic industry was materially injured by reason of subsidized imports of stainless steel flanges from China.[10] On June 5, 2018, Commerce issued its countervailing duty order on imports of stainless steel flanges from China with a net subsidy rate of 174.73 percent.[11] On June 11, 2018, Commerce determined that imports of stainless steel flanges from China were being sold at less than fair value ("LTFV")[12] and the Commission determined on July 25, 2018 that the domestic industry was materially injured by reason of LTFV imports of stainless steel flanges from China.[13] On August 1, 2018, Commerce issued its antidumping duty order on imports of stainless steel flanges from China with a final weighted-average dumping margin of 257.11 percent.[14] On August 16, 2018, Commerce determined that imports of stainless steel flanges from India were being sold at LTFV and subsidized by the Government of India[15] and the Commission determined on September 28, 2018 that the domestic industry was materially injured by reason of LTFV and subsidized imports of stainless steel flanges from

[7] Core Pipe's comments on adequacy, July 11 ,2023, p. 1; Kerkau's comments on adequacy, July 13, 2023, p. 2.

[8] Stainless Steel Flanges from China, Inv. No. 701-TA-585 (Final), USITC Publication 4788, May 2018 ("Original publication"), p. I-1.

[9] 83 FR 15790, April 12, 2018.

[10] 83 FR 25714, June 4, 2018.

[11] 83 FR 26006, June 5, 2018.

[12] 83 FR 26959, June 11, 2018.

[13] 83 FR 36622, July 30, 2018.

[14] 83 FR 37468, August 1, 2018.

[15] 83 FR 40745 and 40748, August 16, 2018.

India.[16] On October 5, 2018, Commerce issued its countervailing duty order on imports of stainless steel flanges from India with net subsidy rates ranging from 4.92 to 256.16 percent.[17] On October 9, 2018, Commerce issued its antidumping duty order on imports of stainless steel flanges from India with the final weighted-average dumping margins ranging from 19.16 to 145.25 percent.[18]

Previous and related investigations

The Commission has conducted a number of previous import relief investigations on stainless steel flanges or similar merchandise, as presented in table I-3.

Table I-3
Steel flanges and fittings: Previous and related Commission proceedings and current status

Date	Number	Country	ITC original determination	Current status
1987	731-TA-376 Stainless steel butt-weld pipe fittings	Japan	Affirmative	Order revoked after third review 10/20/2010
1992	731-TA-639 Forged stainless steel flanges	India	Affirmative	Order revoked after third review 1/23/2011
1992	731-TA-640 Forged stainless steel flanges	Taiwan	Affirmative	Order revoked after third review 1/23/2011
1992	731-TA-563 Stainless steel butt-weld pipe fittings	Korea	Affirmative	Order revoked after third review 10/20/2010
1992	731-TA-564 Stainless steel butt-weld pipe fittings	Taiwan	Affirmative	Order revoked after third review 10/20/2010
1999	731-TA-864 Stainless steel butt-weld pipe fittings	Germany	Negligible	---
1999	731-TA-865 Stainless steel butt-weld pipe fittings	Italy	Affirmative	Order continued after fourth review 4/12/2023
1999	731-TA-866 Stainless steel butt-weld pipe fittings	Malaysia	Affirmative	Order continued after fourth review 4/12/2023
1999	731-TA-867 Stainless steel butt-weld pipe fittings	Philippines	Affirmative	Order continued after fourth review 4/12/2023
2001	TA-201-73 Steel (including carbon/alloy and stainless steel fittings and flanges)	Global	Affirmative	Carbon/alloy flanges and fittings included in measure. Safeguard measure terminated 12/4/2003

[16] 83 FR 50122, October 4, 2018. The Commission also found that imports subject to Commerce's affirmative critical circumstances determinations were not likely to undermine seriously the remedial effect of the antidumping and countervailing duty orders on stainless steel flanges from India.

[17] 83 FR 50336, October 5, 2018.

[18] 83 FR 50639, October 9, 2018.

Date	Number	Country	ITC original determination	Current status
2016	701-TA-563 Carbon steel flanges	India	Affirmative	Order continued after first review 11/30/2022
2016	731-TA-1331 Carbon steel flanges	India	Affirmative	Order continued after first review 11/30/2022
2016	731-TA-1332 Carbon steel flanges	Italy	Affirmative	Order continued after first review 11/30/2022
2016	731-TA-1333 Carbon steel flanges	Spain	Affirmative	Order continued after first review 11/30/2022

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 stainless steel flanges from China and India with the intent of issuing the final results of these reviews based on the facts available not later than August 29, 2023.[19] Commerce publishes its Issues and Decision Memoranda and its final results concurrently, accessible upon publication at https://access.trade.gov/public/FRNoticesListLayout.aspx. Issues and Decision 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 and countervailing duty orders on imports of stainless steel flanges from China and 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:

> *. . . certain forged stainless steel flanges, whether unfinished, semi-finished, or finished (certain forged stainless steel flanges). Certain forged stainless steel flanges are generally manufactured to, but not limited to, the material specification of ASTM/ASME A/SA182 or comparable domestic or foreign specifications. Certain forged stainless steel flanges are made in various grades such as, but not limited to, 304, 304L, 316, and 316L (or combinations thereof). The term "stainless steel" used in this scope refers to an alloy steel containing, by actual weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. Unfinished stainless steel flanges possess the approximate shape of finished stainless steel flanges and have not yet been machined to final specification after the initial forging or like*

[19] Letter from Eric Greynolds, Office Director, Office IV, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, June 20, 2023.

operations. These machining processes may include, but are not limited to, boring, facing, spot facing, drilling, tapering, threading, beveling, heating, or compressing. Semi-finished stainless steel flanges are unfinished stainless steel flanges that have undergone some machining processes. The scope includes six general types of flanges. They are: (1) Weld neck, generally used in butt-weld line connection; (2) threaded, generally used for threaded line connections; (3) slip-on, generally used to slide over pipe; (4) lap joint, generally used with stub-ends/butt-weld line connections; (5) socket weld, generally used to fit pipe into a machine recession; and (6) blind, generally used to seal off a line. The sizes and descriptions of the flanges within the scope include all pressure classes of ASME B16.5 and range from one-half inch to twenty-four inches nominal pipe size. Specifically excluded from the scope of this order are cast stainless steel flanges. Cast stainless steel flanges generally are manufactured to specification ASTM A351.

The country of origin for certain forged stainless steel flanges, whether unfinished, semi-finished, or finished is the country where the flange was forged. Subject merchandise includes stainless steel flanges as defined above that have been further processed in a third country. The processing includes, but is not limited to, boring, facing, spot facing, drilling, tapering, threading, beveling, heating, or compressing, and/or any other processing that would not otherwise remove the merchandise from the scope of the order if performed in the country of manufacture of the stainless steel flanges.[20]

U.S. tariff treatment

Stainless steel flanges are currently imported under Harmonized Tariff Schedule of the United States ("HTS") statistical reporting numbers 7307.21.1000 (stainless steel flanges that are not machined, tooled, or otherwise processed after forging) and 7307.21.5000 (stainless steel flanges other than those of 7307.21.10). The general rate of duty is 3.3 percent ad valorem for HTS subheading 7307.21.10 and 5.6 percent ad valorem for HTS subheading

[20] 83 FR 26006, June 5, 2018; 83 FR 37468, August 1, 2018; 83 FR 50336, October 5, 2018; and 83 FR 50639, October 9, 2018.

7307.21.50.[21] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Effective August 23, 2018, stainless steel flanges originating in China were subject to an additional 10 percent ad valorem duty under section 301 of the Trade Act of 1974. On May 10, 2019, the duty was increased to 25 percent ad valorem under section 301 of the Trade Act of 1974.[22]

Stainless steel flanges are not subject to additional duties or quotas under section 232 of the Trade Expansion Act of 1962, as amended.[23]

Description and uses[24]

Stainless steel flanges are used to connect stainless steel pipe sections and piping components (valves, pumps, tanks, and other equipment) to form a piping system. Stainless steel flanges are usually welded or screwed to the ends of pipes or other equipment requiring a connection (i.e., joint). Flanged joints are made by bolting together two flanges with a gasket[25] between them to provide a seal. Flanged (bolted) joints are frequently used in applications where the components being joined are not otherwise capable of being welded together, where quick field assembly is required, or the pipe sections that are joined must be frequently accessed or removed for service.[26]

In general, flanges are specified by production method (forged or cast), level of finishing (unfinished, semifinished or finished), type of metal (cast iron, carbon, stainless, and other alloy

[21] USITC, HTS (2023) Revision 8, Publication 5440, May 2023, p. 73-21.

[22] 83 FR 47974 (September 21, 2018) and 84 FR 20459 (May 9, 2019). See also HTS heading 9903.88.03 and U.S. notes 20(e) and 20(f) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2022) Revision 8, USITC Publication 5345, July 2022, pp. 99-III-27–99-III-46.

[23] However, stainless steel billets and bars, the primary inputs used to produce stainless steel flanges, were included in the enumeration of iron and steel articles that became subject to the additional 25 percent ad valorem duty under Section 232 of the Trade Expansion Act of 1962, as amended. Federal Register, 83 FR 11625, March 15, 2018, https://www.federalregister.gov/documents/2018/03/15/2018-05478/adjusting-imports-of-steel-into-the-united-states, retrieved June 23, 2023.

[24] Unless otherwise noted, this information is based on the Original Publication, p. I-16–I-21.

[25] A gasket is a material or combination of materials designed to clamp between the mating faces of a flange joint. The primary function of a gasket is to seal the irregularities of each face of the flange, thereby preventing leakage of the service fluid from inside the flange to the outside. Mohinder L. Nayyar, *Piping Handbook: Seventh Edition*, 2000, p. A.339.

[26] Mohinder L. Nayyar, Piping Handbook: Seventh Edition, 2000, pp. A.87-A.88.

steels),[27] [28] type or configuration (weld neck, slip-on, socket weld, lap joint, threaded, or blind), type of face (e.g. flat, full, raised, ring joint, tongue and groove),[29] overall flange size, nominal size of the connecting pipe, wall thickness of connecting pipe (only applicable to weld-neck and socket-weld flanges), number of bolt holes in the flange, and pressure ratings.[30]

The stainless steel flanges subject to these investigations are forged[31] and can be unfinished, semifinished, and finished.[32] Subject stainless steel flanges are made from stainless steel[33] and are generally manufactured to, but not limited to, the material specification of ASTM A182/A182M[34] or comparable domestic or foreign specifications.

The six general types or configurations of stainless steel flanges that are covered by these investigations (figure I-1) are described below:

- Weld neck (also called welding neck) flanges are distinguished from other flanges by their long, tapered hub (neck) and gentle transition to the region where the flange is butt welded [35] to the pipe. These flanges are installed by welding the pipe to the neck of the flange.[36] The smooth transition of the taper from flange thickness to pipe wall thickness imparts, under conditions of repeated bending caused by line expansion or other forces, an endurance strength that is equivalent to that of a butt-welded joint between pipes, which, in practice, is the same as that of unwelded pipe. Weld neck flanges are typically used in

[27] Usually specified by ASTM specification number with grades and classes (if applicable).

[28] The type of metal used to make the flange usually matches the pipe. Welding metals with the same chemical composition and physical properties is easier for installers than welding dissimilar metals.

[29] The face must be machined to specific dimensions and tolerances to match the gasket used to seal the flanges when they are bolted together.

[30] Pressure classes are defined by ASME or other standards-producing organizations and specify pressure ratings for a range of temperatures. For ASME, the classes are 150, 300, 400, 600, 900, 1500, and 2500.

[31] Commerce's scope excludes flanges that are cast.

[32] Semifinished stainless steel flanges have undergone some machining processes but have not yet been machined to final specifications. Unfinished stainless steel flanges are forgings that possess the approximate shape of finished stainless steel flanges but have not been machined or processed after the initial forging operations.

[33] The definition of stainless steel in Commerce's scope matches that in the Explanatory Notes in Section 15 of the HTS: "Alloy steels containing, by weight 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements."

[34] ASTM A182 / A182M – 16a Standard Specification for Forged or Rolled Alloy and Stainless Steel Pipe Flanges, Forged Fittings, and Valves and Parts for High-Temperature Service. ASTM International. https://www.astm.org/Standards/A182.htm.

[35] A butt weld is a circumferential butt welded joint, and the most common type of joint employed in the fabrication of welded pipe systems. A butt joint is the most universally used method of joining pipe to itself, fittings, flanges, valves, and other equipment.

[36] The inside diameter of weld neck is machined to match the inside diameter of the pipe.

applications involving high pressures or hazardous fluids and are also used in environments where pipes are exposed to extreme temperatures.

- Slip-on flanges are fitted over the pipe and then fillet welded[37] both inside and outside to provide sufficient strength and prevent leakage. Slip-on flanges are sometimes preferred to weld-neck flanges owing to lower cost and ease of installation. Their calculated strength under internal pressure is about two-thirds of that of weld-neck flanges. They are typically used on low-pressure, low-hazard services such as fire-fighting water, cooling water, etc.
- Socket-weld flanges are attached by inserting the pipe into the socket end and applying a fillet weld around the top. This allows for a smooth bore and better flow of the fluid or gas inside of the pipe. 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.
- A lap-joint is similar to a slip-on flange, with the main difference being that it has a curved radius at the bore and face to house a lap-joint stub end. A pipe is usually welded to the stub end and the lap-joint pipe flange is free to rotate around the 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.
- Threaded, or screwed, flanges are used to connect other threaded components in low-pressure, non-critical applications. This is similar to a slip-on flange, but the bore[38] is threaded, thus enabling assembly without welding. They are used with pipes that have external threads. Threaded pipe flanges are often used for small-diameter pipes and are not suitable for conditions involving temperature or bending stresses, particularly under cyclical conditions, where leakage through the threads may occur in relatively few cycles of heating or stress.
- Blind flanges are used to blank off pipelines, 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.

[37] A fillet weld is the most common type of weld. Fillet welds occur when two perpendicular or overlapping lengths are welded together.

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

Figure I-1
Stainless steel flanges: Common types of stainless steel flanges

Source: Wermac, "Explore the World of Piping," http://www.wermac.org/flanges/flanges_welding-neck_socket-weld_lap-joint_screwed_blind.html, retrieved June 26, 2023.

Forged stainless steel flanges are generally used in applications where one or more of the following conditions are a factor in designing the piping system: (1) corrosion resistance; (2) contamination prevention; (3) high temperatures (more than 300 degrees Fahrenheit); (4) extremely low temperatures; and/or (5) pressure containment. In general, pipes (and flanges) made from stainless steel and other steel alloys are highly durable, but much more expensive than pipes of regular carbon steel. Accordingly, stainless steel and alloy steel products are mostly used in highly corrosive or demanding conditions unsuitable for regular carbon steel, whereas carbon steel products are mostly used in standard applications where their lower cost is a more important consideration.

Manufacturing process[39]

The manufacturing process for forged stainless steel flanges involves three main steps: (1) forging,[40] (2) heat treatment, and (3) finishing. Integrated manufacturers perform all these steps to produce a finished stainless steel flange from stainless steel billets or bars. Converters

[39] Unless otherwise noted, this information is based on the Original Publication, p. I-21–I-22.

[40] Forging is the manufacturing process where metal is pressed, pounded or squeezed under great pressure into high strength parts known as forgings. The process is normally (but not always) performed hot by preheating the metal to a desired temperature before it is worked. It is important to note that the forging process is entirely different from the casting (or foundry) process, as metal used to make forged parts is never melted and poured (as in the casting process).

or non-integrated finishers typically purchase rough forgings or semifinished flanges[41] and perform finishing steps[42] to produce finished flanges.

Stainless steel flanges are made from stainless steel billet or bar (of rectangular or round cross-sectional shape), which is sorted by heat lot number. The bar or billet is cut to size according to the input weight and length requirements of the subsequent forging process. The cut pieces are then transferred to a staging area to await the forging process. The forging process begins when the cut steel billet or bar is heated to forging temperature, typically from 1,900 to 2,300 degrees Fahrenheit, in either electro-inductive ovens or natural gas-fired furnaces. After the cut steel billet or bar has reached the target temperature, it is moved to a forging hammer line, where an electro-hydraulic forging hammer "forges" it into a forging shape. The forging shape is determined by the engineered closed die forging tooling installed on the forging equipment, which imparts the general dimensions of finished flanges, with sufficient allowances for machining and forging flaws. Upon completing the closed die forging process, the forged material is then conveyed to the trim press where it receives its final shaping. All excess material is trimmed off the part.

Once these parts are completely forged, they are either directly water quenched (solution annealed) or 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 to impart the specified mechanical properties or grain structure.[43] First, the forgings are stacked on pallets and placed in ovens where they are heated to the desired 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. At this point in the production process, the completed forgings are ready to be transformed into finished stainless steel flanges.

The finishing process typically requires setting up tooling on a programmable Computer Numeric Controlled ("CNC") lathe, which includes carbide milling inserts, drill bits, etc. The CNC

[41] A flange that has been forged and machined and requires minimal processing, such as drilling bolt holes, to finish.

[42] Finishing steps are machining processes that may include, but are not limited to, boring, facing, spot facing, drilling, tapering, threading, beveling, heating, or compressing.

[43] Heat treatment is a process that alters the properties of steel by subjecting it to a series of temperature changes. It is done to increase the hardness, strength, or ductility of steel so that it is suitable for additional applications. The steel is heated and then cooled as necessary to provide changes in the structural form that will impart the desired characteristics. The time spent at each temperature and the rates of cooling have significant impact on the effect of the treatment.

program instructs the lathe to move both the tooling and the forging so that the part may be consistently machined. Once a CNC lathe is set up for a production run, the operator will run the first piece and conduct a first article inspection, ensuring that the dimensional characteristics meet the technical specifications. During this finishing stage, each flange goes through a four-stage machining process. The face and internal diameter are machined first, then the back face and outer diameter. Once the lathe work is completed, the flange moves to the drilling department, where CNC machining centers drill the bolt holes of each flange. After drilling, the flange is moved to the marking department, where it is deburred,[44] and hard engraved or stamped for identification and traceability.[45] After marking, the flange is inspected and cleaned prior to shipment.

Stainless steel flanges are then packed onto freight pallets or wooden crates as required by customers. If the customers do not pick up the flanges, producers will typically ship them via standard freight lines or local trucking companies, depending on how far the customers are from the manufacturer.

[44] The process smooths the sharp edges of a cut piece of steel.

[45] The finished flange is marked with the following information: manufacturer's emblem, nominal pipe size, pressure rating and specification, material grade, and the heat lot number of the steel used.

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 five firms, which accounted for more than *** percent of integrated U.S. production and independent finishing of stainless steel flanges during 2017.[46]

In response to the Commission's notice of institution in these current first five-year reviews, domestic interested parties identified seven known and currently operating U.S. producers of stainless steel flanges. Three firms (Ameriforge, Core Pipe, and Kerkau) providing U.S. industry data in response to the Commission's notice of institution accounted for virtually all production of stainless steel flanges in the United States during 2022.[47]

[46] Investigation Nos. 701-TA-585-586 and 731-TA-1383-1384 (Final): Stainless Steel Flanges from China and India, Confidential Report, INV-QQ-048, April 27, 2018 ("Original confidential report"), p. I-6. Domestic producer data presented in the original investigations were based on *** Ameriforge and Maass (acquired by AFG Holdings/Ameriforge in 2021) and *** Core Pipe, Kerkau, and Gibson. Original confidential report, table III-1; Core Pipe / Ameriforge's response to the notice of institution, May 31, 2023, pp. 1-3.

[47] Core Pipe / Ameriforge's response to the notice of institution, May 31, 2023, p. 19.

Recent developments

Based on information in the domestic parties' response to the notice of institution and staff research, there were not any new entrants in the U.S. market for stainless steel flanges, nor any recent facility closures or production curtailments in the United States.[48]

Domestic interested parties reported that demand for stainless steel flanges is driven primarily by refining operations in the oil and gas market, but is also influenced by developments in the chemical, pharmaceutical, marine, water treatment, agricultural, pulp and paper, and construction markets. Demand for stainless steel flanges in the United States fluctuated throughout the review period. Specifically, apparent U.S. consumption of stainless steel flanges fell from 2020–21, as the COVID-19 pandemic affected global oil and gas markets and caused sharp declines in world demand for petroleum products. Apparent U.S. consumption of stainless steel flanges rose in 2022, as energy prices stabilized, and geopolitical developments increased demand for domestically produced petroleum products.[49]

Table I-4 presents events in the U.S. industry since the Commission's original investigations.[50]

Table I-4
Stainless steel flanges: Developments in the U.S. industry

Item	Firm	Event
Acquisition	AFG Holdings	On June 8, 2021, AFG Holdings (owner of flange producer Ameriforge) acquired Maass Flange Corporation (a petitioner in the original investigation that is headquartered in Houston, TX). Following the acquisition, Maass Flange Corporation and its affiliated businesses in Mexico and Canada all became part of Ameriforge. Maass is the largest domestic manufacturer of stainless and nickel alloy flanges in North America.

Source: Core Pipe / Ameriforge's response to the notice of institution, May 31, 2023, pp. 1-3; "AFG Holdings Acquires Maass Flange Corporation," https://afgholdings.com/afg-holdings-acquires-maass-flange-corporation/, retrieved June 23, 2023.

[48] Core Pipe / Ameriforge's response to the notice of institution, May 31, 2023, p. 19.
[49] Core Pipe / Ameriforge's response to the notice of institution, May 31, 2023, pp. 19-20.
[50] For recent developments in tariff treatment, such as those related to section 232, please see "U.S. tariff treatment" section.

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.[51] Table I-5 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations and current first five-year reviews.

Table I-5
Stainless steel 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 pound; ratio in percent

Item	Measure	2015	2016	2017	2022
Integrated producer capacity	Quantity	***	***	***	***
Integrated producer production	Quantity	***	***	***	***
Integrated producer capacity utilization	Ratio	***	***	***	***
Non-integrated finisher capacity	Quantity	***	***	***	***
Non-integrated finisher production	Quantity	***	***	***	***
Non-integrated finisher 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	***	***	***	***

Notes continued.

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

Table I-5 Continued
Stainless steel flanges: Trade and financial data submitted by U.S. producers, by period

Source: For the years 2015-17, data are compiled using data submitted in the Commission's original investigations (see original confidential report, table C-1). For the year 2022, data are compiled using data submitted by domestic interested parties. Core Pipe / Ameriforge's response to the notice of institution, May 31, 2023, exh. 1; and Kerkau's supplemental response to the notice of institution, June 7, 2023, att. 1.

Note: For the years 2015-17, the quantity for U.S. producers' U.S. shipments reflects the quantity of forgings produced in the United States; the value for U.S. producers' U.S. shipments reflects the value of forgings produced in the United States plus the incremental value added by finishing operations; and the unit values for U.S. producers' U.S. shipments excludes the incremental value added by finishing operations.

For comparability, the quantity for U.S. shipments for 2022 reflects only the quantity of U.S. shipments reported by integrated producer Ameriforge; likewise, the value for 2022 U.S. shipments reflects the value reported by integrated producer Ameriforge and does not include the incremental value added by non-integrated U.S. finishing operations, as those data are not available in these current reviews. Combined U.S. shipment data for 2022 for all responding producers (both integrated producers and non-integrated finishers) are presented in app. B (table B-2). Financial data presented for all periods are for integrated producers and non-integrated finishers combined. For a discussion of data coverage, please see "U.S. producers" section.

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.[52]

In its original determinations, the Commission defined a single domestic like product consisting of finished and unfinished stainless steel flanges, coextensive with Commerce's scope and it defined the domestic industry to be all U.S. producers of stainless steel flanges, including both integrated domestic producers and non-integrated domestic producers that engage in only finishing operations.[53] In 2022, U.S. non-integrated domestic finisher Kerkau's U.S. imports accounted for *** percent of total subject imports from India and its subject imports were equivalent to *** percent of the quantity of its U.S. production. Kerkau's U.S. imports form India accounted for *** percent of the quantity of its U.S. shipments of stainless

[52] Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).
[53] 88 FR 26592, May 1, 2023.

steel flanges.[54] One of three responding domestic producers of stainless steel flanges, Kerkau accounted for *** percent of the reported quantity of U.S. shipments of stainless steel flanges by integrated producers and non-integrated finishers combined in 2022 and *** percent of the reported quantity of U.S. shipments of stainless steel flanges by responding non-integrated finishers in 2022.

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 18 firms, representing *** percent of U.S. imports from China and *** percent from India during 2017.[55] Import data presented in the original investigations are based on official Commerce statistics.

In its response to the notice of institution for these current reviews, one importer of the subject merchandise provided data regarding its U.S. imports and U.S. shipments (see appendix B).[56] The domestic interested parties provided a list of 129 firms that may currently import subject merchandise.[57]

U.S. imports

Table I-6 presents the quantity, value, and unit value of U.S. imports from China and India, as well as the other top sources of U.S. imports (shown in descending order of 2022 imports by quantity).

[54] The Commission reported in its original investigations that Kerkau, a finisher-only operation, imported *** throughout 2015-17. Kerkau reported in the original investigations *** because the weight of imported flanges in raw form was heavier than in finished form. Original confidential report, p. III-21.

[55] Original confidential report, p. IV-1.

[56] As previously indicated, responding U.S. importer Kerkau is also a non-integrated finisher of stainless steel flanges in the United States.

[57] Core Pipe / Ameriforge's response to the notice of institution, May 31, 2023, exh. 1; and Kerkau's supplemental response to the notice of institution, June 7, 2023, att. 1.

Table I-6
Stainless steel flanges: U.S. imports, by source and period

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

U.S. imports from	Measure	2018	2019	2020	2021	2022
China	Quantity	8,442	3,652	2,172	3,389	4,359
India	Quantity	19,920	25,143	13,293	10,165	15,843
Subject sources	Quantity	28,363	28,795	15,465	13,554	20,202
South Korea	Quantity	4,787	6,614	3,687	4,952	10,104
Vietnam	Quantity	3,131	4,006	2,068	3,785	6,431
Italy	Quantity	2,532	3,463	1,589	2,533	5,989
All other sources	Quantity	13,765	13,099	6,812	5,980	10,482
Nonsubject sources	Quantity	24,215	27,182	14,156	17,250	33,007
All import sources	Quantity	52,577	55,977	29,621	30,804	53,209
China	Value	23,449	14,075	10,276	17,923	26,046
India	Value	49,956	66,922	28,773	23,073	59,991
Subject sources	Value	73,405	80,997	39,049	40,996	86,038
South Korea	Value	13,750	21,953	12,207	15,585	45,257
Vietnam	Value	8,797	12,491	6,946	11,759	27,296
Italy	Value	12,813	18,709	9,471	13,348	34,084
All other sources	Value	64,902	73,675	49,358	43,497	74,640
Nonsubject sources	Value	100,262	126,828	77,981	84,189	181,276
All import sources	Value	173,667	207,825	117,030	125,185	267,314
China	Unit value	2.78	3.85	4.73	5.29	5.97
India	Unit value	2.51	2.66	2.16	2.27	3.79
Subject sources	Unit value	2.59	2.81	2.52	3.02	4.26
South Korea	Unit value	2.87	3.32	3.31	3.15	4.48
Vietnam	Unit value	2.81	3.12	3.36	3.11	4.24
Italy	Unit value	5.06	5.40	5.96	5.27	5.69
All other sources	Unit value	4.72	5.62	7.25	7.27	7.12
Nonsubject sources	Unit value	4.14	4.67	5.51	4.88	5.49
All import sources	Unit value	3.30	3.71	3.95	4.06	5.02

Source: Compiled from official Commerce statistics for HTS statistical reporting numbers 7307.21.1000 and 7307.21.5000, accessed June 14, 2023.

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

Cumulation considerations[58]

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.[59]

Imports from China and India were reported in all 60 months from 2018 to 2022 and entered the United States through all four general borders of entry (i.e., northern, southern, eastern, and western) in all years from 2018 through 2022. The majority of U.S. imports of stainless steel flanges from China in 2022 entered the United States through New York, New York and Savannah, Georgia (eastern border of entry), Cleveland, Ohio and Detroit, Michigan (northern border of entry), Houston-Galveston, Texas (southern border of entry), and Los Angeles, California and Seattle, Washington (western border of entry). The majority of U.S. imports of stainless steel flanges from India in 2022 entered the United States through Charleston, South Carolina, New York, New York, and Savannah, Georgia (eastern border of entry), Detroit, Michigan (northern border of entry), Houston-Galveston, Texas (southern border of entry), and Seattle, Washington (western border of entry).

[58] Unless otherwise noted, this information is based on official U.S. import statistics for HTS statistical reporting numbers 7307.21.1000 and 7307.21.5000.

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

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.

Table I-7
Stainless steel 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	2015	2016	2017	2022
U.S. producers	Quantity	***	***	***	***
China	Quantity	7,186	5,409	6,534	4,359
India	Quantity	23,333	17,705	28,440	15,843
Subject sources	Quantity	30,519	23,114	34,974	20,202
Nonsubject sources	Quantity	14,349	16,109	15,365	33,007
All import sources	Quantity	44,868	39,223	50,339	53,209
Apparent U.S. consumption	Quantity	***	***	***	***
U.S. producers	Value	***	***	***	***
China	Value	22,869	18,066	23,931	26,046
India	Value	57,066	33,431	53,895	59,991
Subject sources	Value	79,936	51,497	77,826	86,038
Nonsubject sources	Value	64,068	58,776	61,738	181,276
All import sources	Value	144,004	110,274	139,565	267,314
Apparent U.S. consumption	Value	***	***	***	***
U.S. producers	Share of quantity	***	***	***	***
China	Share of quantity	***	***	***	***
India	Share of quantity	***	***	***	***
Subject sources	Share of quantity	***	***	***	***
Nonsubject sources	Share of quantity	***	***	***	***
All import sources	Share of quantity	***	***	***	***
U.S. producers	Share of value	***	***	***	***
China	Share of value	***	***	***	***
India	Share of value	***	***	***	***
Subject sources	Share of value	***	***	***	***
Nonsubject sources	Share of value	***	***	***	***
All import sources	Share of value	***	***	***	***

Notes continued.

Table I-7 Continued
Stainless steel flanges: Apparent U.S. consumption and market shares, by source and period

Source: For the years 2015-17, data are compiled using data submitted in the Commission's original investigations. For the year 2022, U.S. producers' U.S. shipments are compiled from the domestic interested parties' responses to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting numbers 7307.21.1000 and 7307.21.5000, accessed June 14, 2023.

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.

Note: For the year 2015-17, the quantity for U.S. producers' U.S. shipments reflects the quantity of forgings produced in the United States; the value for U.S. producers' U.S. shipments reflects the value of forgings produced in the United States plus the incremental value added by finishing operations. In measuring consumption and market share, this methodology avoids reclassifying and/or double counting merchandise already reported once as an import.

For comparability, the quantity for U.S. shipments for 2022 reflects only the quantity of U.S. shipments reported by integrated producer Ameriforge; likewise, the value for 2022 U.S. shipments reflects the value reported by integrated producer Ameriforge and does not include the incremental value added by non-integrated U.S. finishing operations, as those data are not available in these current reviews. Therefore, the value of U.S. producers' U.S. shipments and apparent U.S. consumption is understated. Combined U.S. shipment data for 2022 for all responding producers (both integrated producers and non-integrated finishers) are presented in app. B (table B-2).

The industry in China

Producers in China

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from three firms, which accounted for approximately *** percent of production of stainless steel flanges in China during 2017, and whose exports were equivalent to *** percent of U.S. imports of stainless steel flanges from China in 2017.[60] In their responses to the Commission's notice of institution in these first five-year reviews, the domestic interested parties provided a list of 88 possible producers of stainless steel flanges in China.[61]

[60] Original confidential report, pp. VII-3-VII-4.

[61] Core Pipe / Ameriforge's response to the notice of institution, May 31, 2023, exh. 8; and Kerkau's supplemental response to the notice of institution, June 7, 2023, att. 1.

Recent developments

Table I-8 presents events in the Chinese industry since the Commission's original investigations.

Table I-8
Stainless steel flanges: Developments in the Chinese industry

Item	Firm	Event
Production increase	Shanxi Tianbao Group Co.	In an interview with the Global Times publication, the deputy general manager of Shanxi Tianbao Group Co., the largest producer of flanges in the Dingxiang Region, China's primary flange-producing center, announced that the company's goal in 2023 was to lift the output value of flanges to one billion yuan ($138.7 million) from 800 million yuan ($111.0 million) in 2022.

Source: Kerkau's response to the notice of institution, May 31, 2023, p. 9; Tao Mingyang, "How Dingxiang county in Sharai Province gains global prominence with small metal flanges," https://www.globaltimes.cn/page/202303/1286445.shtml, retrieved May 4, 2023; Company Profile, Shanxi Guanjiaying Flange Forging http://www.gjyff.com/index.php?m=content&c=index&a=lists&catid=8#:~:text=Company%20Profile,-HOME%20%3E%20About%20Us&text=Us%20%3E%20Company%20Profile-,Shanxi%20Guanjiaying%20Flange%20Forging%20Co.%2C%20Ltd.,and%20forgings%20based%20in%20Chin, retrieved May 12, 2023.

The domestic interested parties noted that the following are some of the known producers of subject stainless steel flanges in China:[62]

- Both-Well (Jiangyan) Steel Fittings Co., Ltd. has an annual capacity to produce 11.0 million pounds (5,000 metric tons) of stainless steel flanges. Based on its website, a main objective of the company is "reinforcing the promotion of export markets."
- Jiangyin Shengda Brite Line Kasugai Flange Co., Ltd. ("SBK Flange") has an annual capacity to produce 6.6 million pounds (3,000 tons) of flanges (including carbon and stainless steel). Based on its website, SBK is "one of the largest professional flange manufacturers in China" and is export-oriented.
- Jiangsu Wujin Stainless Steel Pipe Group Co., Ltd. has an annual capacity of 22.1 million pounds (10,000 metric tons) for fittings and flanges. The company is export-oriented according to its website.
- Qingdao I-Flow Co., Ltd. is an export-oriented company, selling stainless steel flanges to more than 30 countries.
- Shandong Baixinxin Metal Products Co., Ltd. has an annual inventory turnover of more than 19.8 million pounds (9,000 metric tons) and exports to more than 50 countries, including to the United States.
- Shanxi Guanjiaying Flange Forging Co., Ltd. has an annual capacity to produce 66.1 million pounds (30,000 metric tons) of various types of flanges and forgings.

[62] Core Pipe / Ameriforge's response to the notice of institution, May 31, 2023, pp. 8-9 and exh. 4.

- Wuxi Jingxin Precision Machinery Co., Ltd. is a major producer and exporter of stainless steel flanges. The company exports 90 percent of its production, with North America as one of its major markets.

Exports

Table I-9 presents export data for stainless steel flanges from China (by export destination in descending order of quantity for 2022). Japan, South Korea, and Germany were the leading export destinations in 2022, accounting for 20 percent, 17 percent, and 8 percent, respectively, of total exports from China.

Table I-9
Stainless steel flanges: Quantity of exports from China, by destination and period

Quantity in 1,000 pounds

Destination market	2018	2019	2020	2021	2022
Japan	34,335	29,428	27,407	30,475	28,631
South Korea	26,252	29,553	25,866	20,226	24,001
Germany	15,836	15,258	12,692	13,769	11,904
Taiwan	6,491	7,142	7,037	8,848	8,251
Russia	4,167	5,842	3,753	5,040	5,848
Australia	4,899	4,289	4,192	4,815	4,886
Italy	6,670	6,588	4,985	5,257	4,739
Malaysia	3,307	3,519	3,245	3,404	4,075
Indonesia	838	1,248	1,532	1,452	2,989
Vietnam	2,343	2,288	2,373	2,224	2,962
All other destinations	39,202	47,128	44,744	45,110	45,667
All destinations	144,340	152,284	137,825	140,620	143,951

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 7307.21, accessed June 22, 2023. These data may be overstated as HS subheading 7307.21 may contain products outside the scope of these reviews.

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

The industry in India

Producers in India

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from seven firms, whose exports accounted for virtually all

U.S. imports of stainless steel flanges from India in 2017.[63] In their responses to the Commission's notice of institution in these first five-year reviews, the domestic interested parties provided a list of 69 possible producers of stainless steel flanges in India.[64]

Recent developments

Table I-10 presents events in the Indian industry since the Commission's original investigations.

Table I-10
Stainless steel flanges: Developments in the Indian industry

Item	Firm	Event
Expansion	Jay Jagdamba Stainless Steel Ltd.	In January 2019, Jay Jagdamba Stainless Steel Ltd. announced plans to expand its steel plant in Abitghar in Wada Tehsil in the Thane district of Maharashtra. The project will increase the plant's production capacity to 10,000 metric tons per month. The plant produces carbon steel, stainless steel, and alloy steel billets and ingots. Jay Jagdamba is one of India's largest manufacturers of long steel products and has an annual capacity to produce 7.3 million pounds (3,300 metric tons) of stainless steel flanges.
Expansion	Viraj Profiles Ltd.	In an interview with the Wire and Cable India publication in October 2021, the Chairman and Managing Director of Viraj Profiles Ltd., stated that his company had purchased a new ring rolling machine, forging press, pneumatic hammer, new CNC machines, and a flange diameter machine "in the last few years" to "enhance its production capacity." He added that the company "is already in the process of installing a few more drawing machines and high-efficiency grinding machines," and that the company did this "to meet the increasing demand for quality stainless steel flanges." The company produces stainless steel flanges in sizes ranging from 0.5 to 40 inches in diameter.

Source: Kerkau's response to the notice of institution, May 31, 2023, pp. 7-8; Core Pipe / Ameriforge's response to the notice of institution, May 31, 2023, pp. 9-10 and exh. 4; "Jay Jagdamba Stainless steel plans expansion programme," Maharashtra Industry News https://maharashtra.industry-focus.net/2019/01/27/jay-jagdamba-stainless-steel-plans-expansion-programme/. Retrieved June 23, 2023; Jay Jagdamba Limited website, https://jayjagdamba.com/about.html. Retrieved June 23, 2023; "Viraj Profiles: Building and Construction Sector Expected to Witness Fastest Growth in Future," Wire and Cable India, https://www.wirecable.in/2021/11/viraj-profiles-building-and-construction-sector-expected-to-witness-fastest-growth-in-future/, retrieved June 23, 2023.

[63] Original publication, p. VII-8.

[64] Core Pipe / Ameriforge's response to the notice of institution, May 31, 2023, exh. 8; and Kerkau's supplemental response to the notice of institution, June 7, 2023, att. 1.

The domestic interested parties noted that the following are some of the known producers of subject stainless steel flanges in India:[65]

- Balkrishna Steel Forge Pvt. Ltd. has an annual capacity to produce 24.3 million pounds (11,000 metric tons) of fittings and flanges.
- BFN Forgings Private Limited (formerly known as Bebitz Flanges Works Private Limited) has annual capacity to produce 21.3 million pounds (9,675 metric tons) of machined fittings and flanges (carbon and stainless steel).
- Chandan Steel Limited has an annual capacity to produce 33.1 million pounds (15,000 metric tons) of machined flanges.
- CHW Forge Private has an annual capacity of 89.3 million pounds (40,500 metric tons) of forged products including stainless steel flanges and is export-oriented, with exports accounting for more than 50 percent of total sales.
- Echjay Forgings Pvt. Ltd. has an annual capacity of 66.1 million pounds (30,000 metric tons) for forgings (including stainless).
- Goodluck Engineering Co. has an annual capacity of 39.7 million pounds (18,000 metric tons) of steel products, which includes stainless steel flanges.
- Hilton Metal Forging Limited has annual capacity to produce 31.7 million pounds (14,400 metric tons) of flanges, fittings, and rings.
- Kissan Die Tech Private Ltd. forges more than 18.7 million pounds (8,500 metric tons) of product each year, including stainless steel flanges.
- Paramount Forge is among India's leading manufacturers of steel forgings. It has modernized its manufacturing plants to increase its production capabilities. The company is export-oriented according to its website.

[65] Core Pipe / Ameriforge's response to the notice of institution, May 31, 2023, pp. 9-10 and exh. 4.

Exports

Table I-11 presents export data for stainless steel flanges from India (by export destination in descending order of quantity for 2022). The United States, Netherlands, and Germany were the leading export destinations in 2022, accounting for 23 percent, 19 percent, and 10 percent, respectively, of total exports from India.

Table I-11
Stainless steel flanges: Quantity of exports from India, by destination and period

Quantity in 1,000 pounds

Destination market	2018	2019	2020	2021	2022
United States	16,381	19,950	8,837	11,734	19,077
Netherlands	13,497	8,751	9,779	14,665	15,914
Germany	7,875	5,234	6,197	8,396	8,446
Belgium	10,082	5,491	4,026	8,402	6,041
Canada	6,048	5,108	2,196	5,361	4,990
Italy	3,278	1,917	3,100	4,591	4,568
France	2,733	2,779	1,821	3,243	2,936
United Arab Emirates	1,765	2,895	1,994	2,177	2,808
United Kingdom	3,471	2,915	1,148	2,812	2,186
South Korea	4,043	2,485	1,906	2,437	1,993
All other destinations	17,372	13,822	10,383	16,910	15,275
All destinations	86,545	71,347	51,386	80,728	84,235

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 7307.21, accessed June 22, 2023. These data may be overstated as HS subheading 7307.21 may contain products outside the scope of these reviews.

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

Third-country trade actions

Based on available information, stainless steel flanges from China and India have not been subject to other antidumping or countervailing duty investigations or safeguard measures outside the United States.

The global market

Table I-12 presents global export data for stainless steel flanges, (by source in descending order of quantity for 2022). China, India, Italy, Spain, and Germany were the leading exporters in 2022, accounting for 36 percent, 21 percent, and 8 percent, 6 percent, and 5 percent, respectively, of total global exports. The top five exporters accounted for a combined 75 percent of global exports in 2022.

Table I-12
Stainless steel flanges: Quantity of global exports by country and period

Quantity in 1,000 pounds

Exporting country	2018	2019	2020	2021	2022
China	144,340	152,284	137,825	140,620	143,951
India	86,545	71,347	51,386	80,728	84,235
Italy	44,011	34,725	31,314	31,271	33,538
Spain	29,206	29,968	30,417	41,102	23,666
Germany	16,586	15,823	16,050	16,850	18,699
South Korea	19,355	15,828	12,679	15,090	17,527
Netherlands	11,819	11,600	13,152	13,496	14,401
United States	11,721	9,956	8,250	9,245	9,792
Belgium	15,613	12,422	9,333	10,025	9,698
Singapore	8,249	5,391	6,382	2,669	5,273
All other exporters	58,870	56,103	47,031	52,808	42,444
All exporters	446,315	415,446	363,819	413,903	403,225

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 7307.21, accessed June 22, 2023. Exports for Chile and South Korea only reported in second unit of quantity. Export data were not available for several countries including Vietnam, United Arab Emirates, Saudi Arabia, and Russia in 2022 and for Canada during the entire period. These data may be overstated as HS subheading 7307.21 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
88 FR 26592 May 1, 2023	*Stainless Steel Flanges From China and India; Institution of Five-Year Reviews*	https://www.govinfo.gov/content/pkg/FR-2023-05-01/pdf/2023-09026.pdf
88 FR 26522 May 1, 2023	*Initiation of Five-Year (Sunset) Reviews*	https://www.govinfo.gov/content/pkg/FR-2023-05-01/pdf/2023-09221.pdf

APPENDIX B

COMPANY-SPECIFIC DATA

* * * * * * *

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Combined (Integrated + Finishers)

Table C-1

Stainless steel flanges: Summary data concerning the U.S. market combining integrated U.S. producers and non-integrated U.S. finishers, 2015-17

(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year				Calendar year	
	2015	2016	2017	2015-17	2015-16	2016-17
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share (fn1)	***	***	***	***	***	***
Importers' share (fn1) (fn3):						
China	***	***	***	***	***	***
India	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***
All import sources	***	***	***	***	***	***
U.S. consumption value:						
Amount	186,264	144,538	179,759	(3.5)	(22.4)	24.4
Producers' share (fn1) (fn3):						
Value of domestic origin forgings	***	***	***	***	***	***
Incremental value added to imported forgings	***	***	***	***	***	***
Combined value	22.7	23.7	22.4	(0.3)	1.0	(1.3)
Importers' share (fn1):						
China	12.3	12.5	13.3	1.0	0.2	0.8
India	30.6	23.1	30.0	(0.7)	(7.5)	6.9
Subject sources	42.9	35.6	43.3	0.4	(7.3)	7.7
Nonsubject sources	34.4	40.7	34.3	(0.1)	6.3	(6.3)
All import sources	77.3	76.3	77.6	0.3	(1.0)	1.3
U.S. imports from:						
China:						
Quantity	7,186	5,409	6,534	(9.1)	(24.7)	20.8
Value	22,869	18,066	23,931	4.6	(21.0)	32.5
Unit value	$3.18	$3.34	$3.66	15.1	5.0	9.7
Ending inventory quantity	***	***	***	***	***	***
India:						
Quantity	23,333	17,705	28,440	21.9	(24.1)	60.6
Value	57,066	33,431	53,895	(5.6)	(41.4)	61.2
Unit value	$2.45	$1.89	$1.90	(22.5)	(22.8)	0.4
Ending inventory quantity	***	***	***	***	***	***
Subject sources:						
Quantity	30,519	23,114	34,974	14.6	(24.3)	51.3
Value	79,936	51,497	77,826	(2.6)	(35.6)	51.1
Unit value	$2.62	$2.23	$2.23	(15.0)	(14.9)	(0.1)
Ending inventory quantity	***	***	***	***	***	***
Nonsubject sources:						
Quantity	14,349	16,109	15,365	7.1	12.3	(4.6)
Value	64,068	58,776	61,738	(3.6)	(8.3)	5.0
Unit value	$4.46	$3.65	$4.02	(10.0)	(18.3)	10.1
Ending inventory quantity	***	***	***	***	***	***
All import sources:						
Quantity	44,868	39,223	50,339	12.2	(12.6)	28.3
Value	144,004	110,274	139,565	(3.1)	(23.4)	26.6
Unit value	$3.21	$2.81	$2.77	(13.6)	(12.4)	(1.4)
Ending inventory quantity	***	***	***	***	***	***
Integrated U.S. producers':						
Average capacity quantity	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***
Capacity utilization (fn1)	***	***	***	***	***	***
Non-integrated U.S. finishers':						
Average capacity quantity	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***
Capacity utilization (fn1)	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued
Stainless steel flanges: Summary data concerning the U.S. market combining integrated U.S. producers and non-integrated U.S. finishers, 2015-17
(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year			Calendar year		
	2015	2016	2017	2015-17	2015-16	2016-17
Combined U.S. producers' and finishers' (fn3):						
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value:						
Value of domestic origin forgings	***	***	***	***	***	***
Incremental value added to imported forgings	***	***	***	***	***	***
Combined value	42,260	34,264	40,194	(4.9)	(18.9)	17.3
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Inventories/total shipments (fn1)	***	***	***	***	***	***
Production workers	213	198	218	2.3	(7.0)	10.1
Hours worked (1,000s)	436	386	424	(2.8)	(11.5)	9.8
Wages paid ($1,000)	7,410	6,528	7,381	(0.4)	(11.9)	13.1
Hourly wages (dollars per hour)	$17.00	$16.91	$17.41	2.4	(0.5)	2.9
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)	***	***	***	***	***	***

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Undefined.
fn3.--The quantity for U.S. producers' U.S. shipments reflects the quantity of forgings produced in the United States; The value for U.S. producers' U.S.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. imports statistics using HTS statistical reporting numbers

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 contact information for the following three firms as top purchasers of stainless steel flanges: ***. Purchaser questionnaires were sent to these three firms and one firm *** provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for stainless steel flanges that have occurred in the United States or in the market for stainless steel flanges in China or India since January 1, 2018?

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

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

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