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DEPARTMENT OF COMMERCE

International Trade Administration

A-533-871

Finished Carbon Steel Flanges from India: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Department) determines that imports of finished carbon steel flanges (flanges) from India are being, or are likely to be, sold in the United States at less than fair value (LTFV). The final estimated weighted-average dumping margins of sales at LTFV are listed below in the section entitled “Final Determination.” The period of investigation is April 1, 2015, through March 31, 2016.

DATES: Effective [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Fred Baker or Mark Flessner, AD/CVD

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Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone:

(202) 482-2924, or (202) 482-6312, respectively.

SUPPLEMENTARY INFORMATION:

Background

On February 8, 2017, the Department published the *Preliminary Determination* in the *Federal Register*.¹ In the *Preliminary Determination*, we postponed the final determination

¹ See *Finished Carbon Steel Flanges from India: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 82 FR 9719 (February 8, 2017) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

until no later than 135 days after the date of publication of the *Preliminary Determination*, in accordance with section 735(a)(2) of the Tariff Act of 1930, as amended (the Act).²

The petitioners in this investigation are Weldbend Corporation and Boltex Manufacturing Co., L.P. The two mandatory respondents in this investigation are: R. N. Gupta & Co., Ltd. (Gupta); and Norma (India) Limited (Norma).

A summary of the events that occurred since the Department published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the accompanying Issues and Decision Memorandum.³ The Issues and Decision Memorandum is a public document, and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Scope of the Investigation

The products covered by this investigation are finished carbon steel flanges from India. The Department did not receive any scope comments, and has not updated the scope of the investigation since the *Preliminary Determination*. For a complete description of the scope of the investigation, see Appendix I of this notice.

² See *Preliminary Determination*, 82 FR at 9721.

³ See Memorandum, "Finished Carbon Steel Flanges from India: Issues and Decision Memorandum for the Final Determination of Sales at Less Than Fair Value," dated concurrently with this determination and hereby adopted by this notice.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs that were submitted by interested parties in this investigation are addressed in the Issues and Decision Memorandum. A list of these issues is attached to this notice at Appendix II.

Verification

As provided in section 782(i) of the Act, in February 2017, we conducted sales and cost verifications of the questionnaire responses submitted by Gupta and Norma. We used standard verification procedures, including an examination of relevant accounting and production records, as well as original source documents provided by both respondents.

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the dumping margin calculations for each respondent, Gupta and Norma. For a discussion of these changes, *see* the Issues and Decision Memorandum.

All-Others Rate

Sections 735(c)(1)(B)(i)(II) and 735(c)(5) of the Act provide that in the final determination the Department shall determine an estimated all-others rate for all exporters and producers not individually investigated. Section 735(c)(5)(A) of the Act states that, generally, the estimated rate for all others shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely under section 776 of the Act. In this investigation, we calculated weighted-average dumping margins for both mandatory respondents that are above *de minimis* and which are not based on section 776 of the Act. However, because there are only two weighted-average

dumping margins for this final determination, using a weighted-average of these two rates risks disclosure of business proprietary data. Therefore, the Department assigned a margin to the all-others rate companies based on the simple average of the two mandatory respondents' rates.⁴

Final Determination

The Department determines, as provided in section 735 of the Act, the following weighted-average dumping margins for the period April 1, 2015 through March 31, 2016:

Exporter/Producer	Weighted-Average Margins (percent)	Cash Deposit Adjusted for Subsidy Offset (percent)
Norma (India) Limited / USK Exports Private Limited/ Uma Shanker Khandelwal & Co./ Bansidhar Chiranjilal	11.32	8.56
R. N. Gupta & Co., Ltd.	12.58	9.27
All-Others	11.95	8.91

Disclosure

We intend to disclose the calculations performed to interested parties in this proceeding within five days of the date of announcement, in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, the Department will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of flanges from India, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after February 8, 2017, the date of publication of the *Preliminary Determination*. Furthermore, the Department will instruct CBP to require a cash deposit for such entries of merchandise. The Department normally adjusts cash deposits for estimated antidumping duties by the amount of export subsidies countervailed in a

⁴ We calculated a simple average because the record does not contain usable publicly ranged data for both respondents.

companion countervailing duty (CVD) proceeding, when CVD provisional measures are in effect. Accordingly, where the Department made an affirmative determination for countervailable export subsidies, the Department has offset the estimated weighted-average dumping margin by the appropriate CVD rate.⁵ Any such adjusted cash deposit rate may be found in the “Final Determination” section, above. Pursuant to section 735(c)(1)(B)(ii) of the Act, CBP shall require a cash deposit equal to the weighted-average amount by which normal value exceeds U.S. price, as follows: (1) for Gupta and Norma, the cash deposit rates will be the cash deposit rates adjusted for export subsidies listed above; (2) if the exporter is not a firm identified in this investigation but the producer is, then the cash deposit rate will be equal to the adjusted cash deposit rate established for the producer of the subject merchandise; (3) the cash deposit rate for all other producers or exporters will be 8.91 percent, as discussed in the “All-Others Rate” section and as listed in the chart, above.

U.S. International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the U.S. International Trade Commission (ITC) of our final determination. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports, or sales (or the likelihood of sales) for importation of finished carbon steel flanges from India no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not

⁵ See Memorandum, “Analysis for the Final Determination of the Antidumping Duty Investigation of Finished Carbon Steel Flanges(Flanges) from Turkey: R. N. Gupta & Co., Ltd. (Gupta)” dated June 23, 2017; *see also* Memorandum, “Analysis for the Final Determination of the Antidumping Duty Investigation of Finished Carbon Steel Flanges (Flanges) from Turkey: Norma (India) Limited (Norma),” dated June 23, 2017.

exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, the Department will issue an antidumping order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the "Continuation of Suspension of Liquidation" section.

Notification Regarding Administrative Protective Orders

This notice will serve as a reminder to parties subject to administrative protective orders (APOs) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination and notice are issued and published in accordance with sections 735(d) and 777(i) of the Act and 19 CFR 351.210(c).

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

Dated: June 23, 2017

Appendix I

Scope of the Investigation

The scope of this investigation covers finished carbon steel flanges. Finished carbon steel flanges differ from unfinished carbon steel flanges (also known as carbon steel flange forgings) in that they have undergone further processing after forging, including, but not limited to, beveling, bore threading, center or step boring, face machining, taper boring, machining ends or surfaces, drilling bolt holes, and/or de-burring or shot blasting. Any one of these post-forging processes suffices to render the forging into a finished carbon steel flange for purposes of this investigation. However, mere heat treatment of a carbon steel flange forging (without any other further processing after forging) does not render the forging into a finished carbon steel flange for purposes of this investigation.

While these finished carbon steel flanges are generally manufactured to specification ASME B16.5 or ASME B16.47 series A or series B, the scope is not limited to flanges produced under those specifications. All types of finished carbon steel flanges are included in the scope regardless of pipe size (which may or may not be expressed in inches of nominal pipe size), pressure class (usually, but not necessarily, expressed in pounds of pressure, *e.g.*, 150, 300, 400, 600, 900, 1500, 2500, *etc.*), type of face (*e.g.*, flat face, full face, raised face, *etc.*), configuration (*e.g.*, weld neck, slip on, socket weld, lap joint, threaded, *etc.*), wall thickness (usually, but not necessarily, expressed in inches), normalization, or whether or not heat treated. These carbon steel flanges either meet or exceed the requirements of the ASTM A105, ASTM A694, ASTM A181, ASTM A350 and ASTM A707 standards (or comparable foreign specifications). The scope includes any flanges produced to the above-referenced ASTM standards as currently stated or as may be amended. The term “carbon steel” under this scope is steel in which:

- (a) iron predominates, by weight, over each of the other contained elements:
- (b) the carbon content is 2 percent or less, by weight; and
- (c) none of the elements listed below exceeds the quantity, by weight, as indicated:
 - (i) 0.87 percent of aluminum;
 - (ii) 0.0105 percent of boron;
 - (iii) 10.10 percent of chromium;
 - (iv) 1.55 percent of columbium;
 - (v) 3.10 percent of copper;
 - (vi) 0.38 percent of lead;
 - (vii) 3.04 percent of manganese;

(viii) 2.05 percent of molybdenum;

(ix) 20.15 percent of nickel;

(x) 1.55 percent of niobium;

(xi) 0.20 percent of nitrogen;

(xii) 0.21 percent of phosphorus;

(xiii) 3.10 percent of silicon;

(xiv) 0.21 percent of sulfur;

(xv) 1.05 percent of titanium;

(xvi) 4.06 percent of tungsten;

(xvii) 0.53 percent of vanadium; or

(xviii) 0.015 percent of zirconium.

Finished carbon steel flanges are currently classified under subheadings 7307.91.5010 and 7307.91.5050 of the Harmonized Tariff Schedule of the United States (HTSUS). They may also be entered under HTSUS subheadings 7307.91.5030 and 7307.91.5070. The HTSUS subheadings are provided for convenience and customs purposes; the written description of the scope is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
 - II. List of Issues
 - III. Background
 - IV. Scope of the Investigation
 - V. Discussion of the Issues:
 - Comment 1: Excess Cash Deposits
 - Comment 2: Adverse Facts Available for Norma's Cost Data
 - Comment 3: Offset to Costs for Miscellaneous Income
 - Comment 4: Currency Conversion
 - Comment 5: Gupta's Reported Scrap Offset Claim
 - Comment 6: Adjustment of Gupta's Reported Costs Due to an Alleged Understatement of Costs
 - Comment 7: Adjustment of Gupta's General and Administrative Expenses for Costs Incurred by an Affiliate
 - Comment 8: Adjustment of Gupta's General and Administrative Expenses for Unreported Costs
 - Comment 9: Gupta's Reported Financial Expenses
 - Comment 10: Differential Pricing Test
 - VI. Recommendation
- [FR Doc. 2017-13627 Filed: 6/28/2017 8:45 am; Publication Date: 6/29/2017]