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DEPARTMENT OF COMMERCE

International Trade Administration

A-475-835

Finished Carbon Steel Flanges from Italy: 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 Italy 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: Moses Song or Edythe Artman, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5041, or (202) 482-3931, 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 Italy: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 82 FR 9711 (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: (1) Metalfar Prodotti Industriali S.p.A. (Metalfar); and (2) Officine Ambrogio Melesi & C. S.r.l. (Melesi)/ASFO S.p.A. (ASFO) (collectively, Melesi/ASFO).

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 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 Italy. 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 9713.

³ *See* Memorandum, "Finished Carbon Steel Flanges from Italy: 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

Because the mandatory respondents in this investigation did not provide the information requested, the Department did not conduct verification.

Changes Since the Preliminary Determination and Use of Adverse Facts Available

The Department has made no changes to the *Preliminary Determination*. As stated in the *Preliminary Determination*, we found that the application of facts available with an adverse inference with respect to both mandatory respondents in this investigation, Metalfar and Melesi/ASFO, was warranted, in accordance with sections 776(a)(1), 776(a)(2)(A)-(C), and 776(b) of the Act.⁴

All-Others Rate

As discussed in the *Preliminary Determination*, the Department based the selection of the all-others rate on the simple average of the three dumping margins calculated for subject merchandise from Italy alleged in the petition,⁵ in accordance with section 735(c)(5)(B) of the Act, and determined a rate of 79.17 percent. We made no changes to the all-others rate for this final determination.⁶

Final Determination

⁴ See *Preliminary Determination*, 82 FR at 9712 and PDM at 4-9.

⁵ See Petitions for the Imposition of Antidumping Duties on Imports of Finished Carbon Steel Flanges from India, Italy and Spain and Countervailing Duties on Imports from India, dated June 30, 2016 (the Petition) at Volume III; see also Letter from Petitioners to the Department, regarding “Finished Carbon Steel Flanges from Italy: Second Supplemental Questionnaire Response,” dated July 13, 2016; see also Antidumping Duty Investigation Initiation Checklist: Finished Carbon Steel Flanges from Italy, dated July 20, 2016.

⁶ See *Preliminary Determination*, 82 FR at 9712.

The final estimated weighted-average dumping margins are as follows:

| Producer or Exporter | Weighted-Average Dumping Margins (percent) |
|--|--|
| Metalfar Prodotti Industriali S.p.A. | 204.53 |
| Officine Ambrogio Melesi & C. S.r.l./ASFO S.p.A. | 204.53 |
| All Other Producers and Exporters | 79.17 |

Disclosure

The estimated weighted-average dumping margins assigned to the mandatory respondents in this investigation in the *Preliminary Determination* were based on adverse facts available and the Department described the method it used to determine the adverse facts available rate in the *Preliminary Determination*. As we made no changes to this margin since the *Preliminary Determination*, no additional disclosure of calculations is necessary for this final determination.

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 Italy, 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. 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 Metalfar and Melesi/ASFO, the cash deposit rates will be equal to the estimated weighted-average dumping margin which the Department

determined in this final determination; (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 estimated weighted-average dumping margin established for the producer of the subject merchandise; (3) the cash deposit rate for all other producers and exporters will be 79.17 percent, as discussed in the “All-Others Rate” section and as listed in the chart, above.

The instructions suspending liquidation will remain in effect until further notice.

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 Italy no later than 45 days after this final determination. If the ITC determines that material injury or threat of material injury does not 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 duty 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. Background
- III. Period of Investigation
- IV. Scope of the Investigation
- V. Discussion of the Issues:
 - Comment 1: Collapsing of Melesi and ASFO
 - Comment 2: Application of Total AFA to Melesi/ASFO
 - Comment 3: Use of the Highest Petition Rate as the Total AFA Rate for Melesi/ASFO
 - Comment 4: Verification of Melesi/ASFO
- VI. Recommendation

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