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DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-877]

Stainless Steel Flanges from India: Final Affirmative Determination of Sales at Less Than Fair Value and Final Affirmative Critical Circumstance Determination

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

SUMMARY: The Department of Commerce (Commerce) determines that imports of stainless steel flanges from India are being, or are likely to be, sold in the United States at less than fair value (LTFV) during the period of investigation (POI) July 1, 2016, through June 30, 2017.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Benito Ballesteros or Christian Llinas, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202)-482-7425 or (202)-482-4877, respectively.

SUPPLEMENTARY INFORMATION:

Background

On March 28, 2018, Commerce published in the *Federal Register* the preliminary affirmative determination of sales at LTFV in the antidumping duty (AD) investigation of stainless steel flanges from India.¹ The Coalition of American Flange Producers and its individual members, Core Pipe Products, Inc. and Maass Flange Corporation (collectively, the

¹ See *Stainless Steel Flanges from India: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, Postponement of Final Determination, and Extension of Provisional Measures*, 83 FR 13246 (March 28, 2018) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum (PDM).

petitioners), Chandan Steel Limited (Chandan), Bebitz Flanges Works Pvt. Ltd. (Bebitz) and Echjay Forgings Pvt. Ltd. (Echjay) (collectively, the respondents) filed case and rebuttal briefs. A summary of the events that occurred since Commerce 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.² 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 register 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 product covered by this investigation is stainless steel flanges from India. For a complete description of the scope of this investigation, see Appendix I.

Scope Comments

In accordance with the preamble to Commerce's regulations,³ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁴ As no interested parties submitted timely comments on the scope of this investigation, we made no changes to the scope language as it appeared in the *Initiation Notice*.

Period of Investigation

² See Memorandum, "Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Stainless Steel Flanges from India," dated concurrently with this determination and hereby adopted by this notice (Issues and Decision Memorandum or IDM).

³ See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

⁴ See *Initiation Notice*.

The period of investigation is July 1, 2016, through June 30, 2017.

Verification

As provided in section 782(i) of the Act, between April and May 2018, Commerce verified the sales and cost data reported by Chandan. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by the respondents.

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.

Use of Facts Available and Adverse Facts Available

For purposes of this final determination, Commerce determined the Echjay single entity's⁵ and the Bebitz/Viraj single entity's⁶ margin on the basis of adverse facts available, pursuant to sections 776(a)(2)(B)-(C) and 776(b) of the Act. For further information, *see* the Issues and Decision Memorandum.

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our finding at verification, we made certain changes to the margin calculations. For a discussion of these changes, *see* the Issues and Decision Memorandum.

Final Affirmative Determination of Critical Circumstances

⁵ The Echjay single entity is comprised of Echjay Forgings Pvt Limited, Echjay Industries Private Limited, Echjay Forging Industries Private Limited, and Spire Industries Pvt. Limited.

⁶ The Bebitz/Viraj single entity is comprised of Bebitz Flanges Works Private Limited, Viraj Profiles Limited (Viraj), Flanschen werk Bebitz GmbH (FBG), Bebitz USA, Inc. (Bebitz USA), and Viraj USA, Inc. (Viraj USA).

For the final determination, we continue to find that critical circumstances exist with respect to imports of stainless steel flanges from Chandan, the Bebitz/Viraj single entity, the Echjay single entity, and companies covered by the “all others” rate. Thus, pursuant to section 735(a)(3) of the Act, and 19 CFR 351.206, we find that critical circumstances exist with respect to subject merchandise produced or exported by Chandan, the Bebitz/Viraj single entity, the Echjay single entity, and “all others.” For further discussion, see the *Issues and Decision Memorandum* at “Critical Circumstances.”

All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated “all-others” rate 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 or *de minimis* margins, and any margins determined entirely under section 776 of the Act. Because the final rate determined for the Echjay single entity and the Bebitz/Viraj single entity is based entirely on adverse facts available, we, therefore, based the “all others” rate on the rate calculated for Chandan. For a discussion of this methodology, *see* the Issues and Decision Memorandum.

Final Determination Margins

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

Exporter or Producer	Estimated Weighted-Average Dumping Margin (percent)	Cash Deposit Rate (Adjusted for Offset(s)) (percent)
Chandan	19.16	14.29
Echjay single entity	145.25	140.38
Bebitz/Viraj single entity	145.25	145.25
All Others	19.16	14.29

Disclosure

We will disclose the calculations performed with respect to Chandan's weighted-average dumping margin to interested parties within five days of the public announcement of this final determination in accordance with 19 CFR 351.224(b). With respect to the Echjay single entity and the Bebitz/Viraj single entity, because Commerce relied on adverse facts available to determine the rate for these entities and selected the highest petition margin as the adverse facts available rate, there are no calculations to disclose.⁷

Continuation of Suspension of Liquidation

For entries made by Chandan, the Bebitz/Viraj single entity, the Echjay single entity, and companies covered by the "all others" rate, in accordance with section 735(c)(4)(B) of the Act, because we continue to find that critical circumstances exist, we will instruct CBP to continue to suspend liquidation of all appropriate entries of stainless steel flanges from India which were entered, or withdrawn from warehouse, for consumption on or after December 28, 2017, which is 90 days prior to the date of publication of the preliminary determination of this investigation in the *Federal Register*.

Commerce will instruct CBP to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price as shown above. Commerce normally adjusts cash deposits for estimated antidumping duties by the amount of export subsidies countervailed in a companion countervailing duty (CVD) proceeding, when CVD provisional measures are in effect. Any such adjusted cash deposit rate may be found in the "Final Determination Margins" section, above.

⁷ See Issues and Decision Memorandum at 7-8.

Additionally, pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), Commerce will instruct CBP to require a cash deposit for such entries of merchandise equal to the estimated weighted-average dumping margin or the estimated all-others rate, as follows: (1) the cash deposit rate for the respondents listed above will be equal to the respondent-specific estimated weighted-average dumping margin determined in this final determination; (2) if the exporter is not a respondent identified above but the producer is, then the cash deposit rate will be equal to the respondent-specific estimated weighted-average dumping margin established for that producer of the subject merchandise; and (3) the cash deposit rate for all other producers and exporters will be equal to the all-others estimated weighted-average dumping margin. The suspension of liquidation will remain in effect until further notice.

ITC Notification

In accordance with section 735(d) of the Act, we will notify the ITC of the final affirmative determination of sales at LTFV. 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, no later than 45 days after our 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, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, 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 serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return/ 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 violation subject to sanction.

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Notification to Interested Parties

We are issuing and publishing this determination and notice in accordance with sections 735(d) and 777(i) of the Act and 19 CFR 352.210(c).

Dated: August 10, 2018.

James Maeder,

Associate Deputy Assistant Secretary

for Antidumping and Countervailing Duty Operations

performing the duties of Deputy Assistant Secretary

for Antidumping and Countervailing Duty Operations.

Appendix I

Scope of the Investigation

The products covered by this investigation are 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 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 investigation 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 investigation if performed in the country of manufacture of the stainless-steel flanges.

Merchandise subject to this investigation is typically imported under headings 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.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Investigation
- IV. Final Determination of Critical Circumstances
- V. Affiliation and Collapsing
- VI. Changes Since the Preliminary Determination
- VII. Use of Adverse Facts Available
- VIII. Discussion of the Issues
 - Comment 1: Application of Total AFA for Bebitz/Viraj single entity
 - Comment 2: Collapsing of Echjay and its Affiliates, and Application of Total AFA to the Echjay Single Entity
 - Comment 3: Product Characteristics used in the CONNUM Methodology
 - Comment 4: Application of Partial AFA for Packing Costs
 - Comment 5: Home Market Sales Viability
 - Comment 6: Credit Expenses
 - Comment 7: Clarification of the Scope of the Order
 - Comment 8: Import Duties
 - Comment 9: G&A Expense Ratio Calculation
 - Comment 10: Antidumping Duty Cash Deposit Rate offset by the Countervailing Duty Export Subsidy Rate
- IX. Conclusion

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