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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-062]

Cast Iron Soil Pipe Fittings from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order

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

SUMMARY: The Department of Commerce (Commerce) is amending its final determination of sales at less than fair value (LTFV) as a result of ministerial errors. In addition, based on affirmative final determinations by Commerce and the International Trade Commission (the ITC), Commerce is issuing an antidumping duty order on cast iron soil pipe fittings (soil pipe fittings) from the People's Republic of China (China).

DATES: Applicable [Insert Date of Publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Sergio Balbontin at (202) 482-4474 or Michael Bowen at (202) 482-0768, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On July 17, 2018, Commerce published its affirmative final determination in the LTFV investigation of soil pipe fittings from China on July 17, 2018.<sup>1</sup> On July 11, 2018, Commerce received ministerial error allegations. See the “Amendment to Final Determination” section

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<sup>1</sup> See *Cast Iron Soil Pipe Fittings from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value and Final Determination of Critical Circumstances, in Part*, 83 FR 33205 (July 17, 2018) (*Final Determination*).

below for further discussion.

On August 22, 2018, the ITC notified Commerce of its final determination, pursuant to 735(d) of the Act, that an industry in the United States is materially injured within the meaning of section 735(b)(1)(A)(i) of the Act, by reason of LTFV imports of soil pipe fittings from China, and of its determination that critical circumstances do not exist with respect to imports of soil pipe fittings from China.<sup>2</sup>

### Scope of the Order

The merchandise covered by the scope of this order is cast iron soil pipe fittings, finished and unfinished, regardless of industry or proprietary specifications, and regardless of size. Cast iron soil pipe fittings are nonmalleable iron castings of various designs and sizes, including, but not limited to, bends, tees, wyes, traps, drains (other than drain bodies), and other common or special fittings, with or without side inlets.

Cast iron soil pipe fittings are classified into two major types – hubless and hub and spigot. Hubless cast iron soil pipe fittings are manufactured without a hub, generally in compliance with Cast Iron Soil Pipe Institute (CISPI) specification 301 and/or American Society for Testing and Materials (ASTM) specification A888. Hub and spigot pipe fittings have hubs into which the spigot (plain end) of the pipe or fitting is inserted. Cast iron soil pipe fittings are generally distinguished from other types of nonmalleable cast iron fittings by the manner in which they are connected to cast iron soil pipe and other fittings.

Excluded from the scope are all drain bodies. Drain bodies are normally classified in subheading 7326.90.86.88 of the Harmonized Tariff Schedule of the United States (HTSUS).

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<sup>2</sup> See ITC Notification Letter to the Deputy Assistant Secretary for Enforcement and Compliance, referencing ITC Investigation Nos. 701-TA-583 and 731-TA-1381 (August 20, 2018).

The cast iron soil pipe fittings subject to the scope of this order are normally classified in subheading 7307.11.0045 of the HTSUS: Cast fittings of nonmalleable cast iron for cast iron soil pipe. They may also be entered under HTSUS 7324.29.0000 and 7307.92.3010. The HTSUS subheadings and specifications are provided for convenience and customs purposes only; the written description of the scope of this order is dispositive.

#### Amendment to Final Determination

Pursuant to 19 CFR 351.224(e), Commerce is amending the *Final Determination* to correct certain ministerial errors.<sup>3</sup> Based on these corrections, Shanxi Xuanshi Industrial Group Co., Ltd.'s (Xuanshi) estimated weighted-average dumping margin increases from 27.18 percent to 84.13 percent, and Wor-Biz Trading Co., Ltd. (Anhui)'s (Wor-Biz) estimated weighted-average dumping margin increases from 22.11 percent to 33.67 percent. These corrections also increase the estimated weighted-average dumping margin for the non-examined, separate rate companies from 24.65 percent to 58.90 percent.

In addition, we are amending our instructions to U.S. Customs and Border Protection (CBP) with respect to the cash deposit rates in effect during certain periods of this LTFV investigation. Specifically, in the *Preliminary Determination*, we stated that should provisional measures in the companion countervailing duty (CVD) investigation expire, Commerce will direct CBP to collect cash deposits at a rate equal to the estimated weighted-average dumping margins calculated in the *Preliminary Determination*, unadjusted for passed-through domestic subsidies or export subsidies determined in the companion CVD investigation.<sup>4</sup> Provisional

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<sup>3</sup> See Memorandum, "Less-Than-Fair-Value Investigation on Cast Iron Soil Pipe Fittings from the People's Republic of China: Ministerial Error Allegations in the Final Determination," dated August 9, 2018.

<sup>4</sup> See *Cast Iron Soil Pipe Fittings from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, in Part, Postponement of Final Determination and Extension of Provisional Measures*, 83 FR 7145, 7147 (February 20,

measures in the companion CVD investigation expired on April 18, 2018.<sup>5</sup> However, the *Final Determination* (and the cash deposit instructions we issued to CBP pursuant to that determination) did not properly reflect our intention to apply the unadjusted cash deposit rates that should have been in effect beginning on this date.<sup>6</sup> Therefore, we will amend our instructions to CBP to apply the unadjusted cash deposit rates calculated in the *Preliminary Determination* for the period of April 18, 2018, through July 16, 2018 (the date prior to the publication of the *Final Determination*).

Further, for the period of July 17, 2018, until the date of expiration of provisional measures in this LTFV investigation (August 20, 2018), the correct cash deposit rates shall be equal to the estimated weighted-average dumping margins calculated in the *Final Determination*, unadjusted for the passed-through domestic subsidies or for export subsidies. See below for further discussion of the expiration of provisional measures in this LTFV investigation.

For the purposes of this amended final determination and order, we will instruct CBP to resume collecting cash deposits equal to the estimated weighted-average dumping margins listed below, adjusted for the export subsidy rates imposed in the companion CVD investigation, *i.e.*, by 0.09 percent for Xuanshi and the China-wide entity, 0.23 percent for Wor-Biz, and 0.16 percent for the separate-rate companies.<sup>7</sup>

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2018) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum. See also Section 772(c)(1)(C) of the Tariff Act of 1930 (the Act).

<sup>5</sup> See *Cast Iron Soil Pipe Fittings from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 82 FR 60178 (December 19, 2017). See also 19 CFR 351.210(h).

<sup>6</sup> See *Final Determination* at 83 FR 33207 (“*Continuation of Suspension of Liquidation*”).

<sup>7</sup> See *Final Determination* at 83 FR 33428. See also *Cast Iron Soil Pipe Fittings from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 83 FR 32075 (July 11, 2018); and *Cast Iron Soil Pipe Fittings from the People's Republic of China: Countervailing Duty Order*, published concurrently with this notice.

## Antidumping Duty Order

On August 22, 2018, in accordance with section 735(b)(1)(A)(i) and 735(d) of the Act, the ITC notified Commerce of its final determination in this investigation, in which it found that imports of cast iron soil pipe fittings are materially injuring a U.S. industry. Therefore, in accordance with section 735(c)(2) and 736(a) of the Act, we are publishing this antidumping duty order. In its determination, the ITC found two domestic like products covered by the scope of the investigation: drain bodies and all other soil pipe fittings. The ITC made a negative determination with respect to drain bodies and an affirmative determination with respect to all other soil pipe fittings. Because the ITC made different injury determinations for separate domestic like products, Commerce will instruct CBP to assess antidumping duties on entries of all cast iron soil pipe fittings (subject merchandise) other than drain bodies (excluded merchandise).

### *Drain Bodies*

The ITC found that drain bodies are a separate domestic like product. The Final ITC Report describes typical drain bodies as having only one side that connects to a pipe or fitting.<sup>8</sup> Further, drain bodies are not classified as either hubless or hub and spigot.<sup>9</sup> Drain bodies may be painted in a different manner than other cast iron soil pipe fittings, which are coated in asphaltic material, black paint, or epoxy.<sup>10</sup> Drain bodies often require assembly with attachments (cast iron and non-cast iron) such as stainless steel strainers, grates, and bolts to be a drain fixture ready for use.<sup>11</sup> In addition, the purpose of a drain body is to collect and carry away liquid or

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<sup>8</sup> See Cast Iron Soil Pipe Fittings from China, Investigation Nos. 701-TA-583 and 731-TA-1381 (Final), Publication 4812, August 2018 (Final ITC Report) at I-14 and I-15.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.* at I-15.

<sup>11</sup> *Id.*

water, including wastewater, while the purpose of other cast iron soil pipe fittings is to connect pipe and fittings.<sup>12</sup>

Because the ITC made a negative determination of material injury with respect to drain bodies, Commerce will direct CBP to terminate the suspension of liquidation for entries of drain bodies from China entered, or withdrawn from warehouse, and refund any cash deposit with respect to these entries.

*All Soil Pipe Fittings Other Than Drain Bodies*

Because the ITC determined that imports of all cast iron soil pipe fittings other than drain bodies from China are materially injuring a U.S. industry, all unliquidated entries of subject merchandise from China, entered or withdrawn from warehouse, are subject to the assessment of antidumping duties.

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<sup>12</sup> *Id.*

As a result of the ITC's final determination, in accordance with section 736(a)(1) of the Act, Commerce will direct CBP to assess, upon further instruction by Commerce, antidumping duties equal to the amount by which the normal value of the merchandise exceeds the export price (or constructed export price) of the merchandise, for all relevant entries of soil pipe fittings from China. Antidumping duties will be assessed on unliquidated soil pipe fittings from China entered, or withdrawn from warehouse, for consumption on or after February 20, 2018, the date of publication of the *Preliminary Determination*, but will not be assessed on entries occurring after the expiration of the provisional measures period until the date of publication of the ITC's notice of final determination in the *Federal Register*, as discussed further below.

#### Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, Commerce will direct CBP to continue to suspend liquidation of subject merchandise (*i.e.*, all soil pipe fittings other than drain bodies) from China, which were entered, or withdrawn from warehouse, for consumption on or after February 20, 2018, the date of publication of the *Preliminary Determination*. We will also instruct CBP to require cash deposits equal to the amounts as indicated below. These instructions suspending liquidation will remain in effect until further notice.

Accordingly, effective on the date of publication of the ITC's final affirmative injury determination, CBP will require, at the same time as importers would normally deposit estimated duties on this subject merchandise, a cash deposit equal to the estimated weighted-average dumping margins listed below.<sup>13</sup> The "China-wide" rate applies to all exporters of subject merchandise not specifically listed in the table below. For the purpose of determining cash deposit rates, the estimated weighted-average dumping margins for imports of subject

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<sup>13</sup> See Section 736(a)(3) of the Act.

merchandise from China have been adjusted, as appropriate, for export subsidies found in the final determination of the companion countervailing duty investigation of this merchandise imported from China.

### Provisional Measures

Section 733(d) of the Act states that instructions issued pursuant to an affirmative preliminary determination may not remain in effect for more than four months, except where exporters representing a significant proportion of exports of the subject merchandise request Commerce to extend that four-month period to no more than six months. At the request of exporters that account for a significant proportion of soil pipe fittings from China, Commerce extended the four-month period to six months in this proceeding.<sup>14</sup> In the underlying investigation, Commerce published the preliminary determination on February 20, 2018. Therefore, the extended period, beginning on the date of publication of the preliminary determination, ended on August 20, 2018. Furthermore, section 737(b) of the Act states that definitive duties are to begin on the date of publication of the ITC's final affirmative injury determination.

Therefore, in accordance with section 733(d) of the Act and our practice,<sup>15</sup> we will instruct CBP to terminate the suspension of liquidation and to liquidate, without regard to antidumping duties, unliquidated entries of soil pipe fittings from China entered, or withdrawn from warehouse, for consumption on or after August 20, 2018, until the date of publication of the ITC's final affirmative injury determination in the *Federal Register*. Suspension of liquidation

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<sup>14</sup> See *Preliminary Determination*.

<sup>15</sup> See, e.g., *Certain Corrosion-Resistant Steel Products from India, Italy, the People's Republic of China, the Republic of Korea and Taiwan: Amended Final Affirmative Antidumping Determination for India and Taiwan, and Antidumping Duty Orders*, 81 FR 48390 (July 25, 2016).

and the collection of cash deposits will resume on the date of publication of the ITC’s final determination in the *Federal Register*.

Critical Circumstances

With regard to the ITC’s negative critical circumstances determination on imports of soil pipe fittings from China discussed above, we will instruct CBP to lift suspension and to refund any cash deposits made to secure the payment of estimated antidumping duties with respect to entries of soil pipe fittings from China, entered or withdrawn from warehouse, for consumption on or after November 22, 2017 (*i.e.*, 90 days prior to the date of publication of the preliminary determination), but before February 20, 2018 (*i.e.*, the date of publication of the preliminary determination for this investigation).

Estimated Weighted-Average Dumping Margins

The estimated weighted-average dumping margins are as follows:

<b>Producer</b>	<b>Exporter</b>	<b>Estimated Weighted-Average Dumping Margin (percent)</b>	<b>Cash Deposit Rate (Adjusted for Subsidy Offsets) (percent)</b>
Shanxi Xuanshi Industrial Group Co., Ltd.	Shanxi Xuanshi Industrial Group Co., Ltd.	84.13	84.04
Guang Zhou Premier & Pinan Foundry Co., Ltd./Botou Chenyuan Foundry Co., Ltd./Wuhu Best Machines Co., Ltd.	Wor-Biz Trading Co., Ltd. (Anhui)	33.67	33.44
Shijiazhuang Asia Casting Co., Ltd.	Shijiazhuang Asia Casting Co., Ltd.	58.90	58.74

Qinshui Shunshida Casting Co., Ltd./Xinle Xinye Metal Products Co., Ltd.	Shanxi Zhongrui Tianyue Trading Co., Ltd.	58.90	58.74
Qinshui Shunshida Casting Co., Ltd./Xinle Rishuo Casting Factory/Shijiazhuang Shunjinguangao Trade Co., Ltd./Xinle Tang Rong Fa Lan Pan Co., Ltd.	Dalian Lino F.T.Z. Co., Ltd.	58.90	58.74
Xinle City Zhile Pipeline Industry Co., Ltd./Qinshui Shunshida Casting Co., Ltd./Foshan City Deying Metal Products Co., Ltd.	Dinggin Hardware (Dalian) Co., Ltd.	58.90	58.74
Xinle Rishuo Casting Factory/Qinshui Shunshida Casting Co., Ltd.	Dalian Metal I/E Co., Ltd.	58.90	58.74
Qinshui County Xinwei Precision Co., Ltd.	Qinshui Shunshida Casting Co., Ltd.	58.90	58.74
Shanxi Guruiwei Casting Co., Ltd.	Richang Qiaoshan Trade Co., Ltd.	58.90	58.74
Shijiazhuang Jingruisheng Metal Products Co., Ltd./Qinshui Shunshida Casting Co., Ltd./Xinle City Zhile Pipe Co., Ltd.	Hebei Metals & Engineering Products Trading Co., Ltd.	58.90	58.74
	CHINA-WIDE ENTITY	360.39	360.30

Notifications to Interested Parties

This notice constitutes the antidumping duty order with respect to soil pipe fittings from China pursuant to section 736(a) of the Act. Interested parties can find a list of antidumping duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This amended final determination and antidumping duty order are published in accordance with sections 735(e) and 736(a) of the Act and 19 CFR 351.224(e) and 351.211(b).

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Christian Marsh,  
Deputy Assistant Secretary  
for Enforcement and Compliance.

August 28, 2018

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Date

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