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DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-872]

Finished Carbon Steel Flanges from India: Preliminary Results of Countervailing Duty Administrative Review, 2016-2017

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that Norma (India) Ltd. (Norma) and R.N. Gupta & Co. Ltd (RNG) received countervailable subsidies during the period of review (POR), November 29, 2016 through December 31, 2017. Interested parties are invited to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Yasmin Bordas or John McGowan, 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) 482-3813 and (202) 482-3019, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 24, 2017, Commerce published a notice of initiation of an administrative review of the countervailing duty (CVD) order on finished carbon steel flanges (steel flanges) from India.¹ Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018 through the resumption of operations on

¹ See *Finished Carbon Steel Flanges from India: Countervailing Duty Order*, 82 FR 40138 (August 24, 2017) (*Order*).

January 29, 2019.² On June 5, 2019, and September 20, 2019, Commerce extended the deadline for issuing the preliminary results of this review.³ The revised deadline for these *Preliminary Results* is now October 9, 2019. For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁴ A list of topics discussed in the Preliminary Decision Memorandum is included at the Appendix to this notice. The Preliminary 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 Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Order

The merchandise covered by the order is steel flanges. For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we

² *See* Memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

³ *See* Memoranda, "Finished Carbon Steel Flanges from India: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 11/29//2016 – 12/31/2017," dated June 5, 2019; and "Finished Carbon Steel Flanges from India: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 11/29//2016-12/31/2017," dated September 20, 2019.

⁴ *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review of Finished Carbon Steel Flanges from India," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

preliminarily determine that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁵ For a full description of the methodology underlying our conclusions, *see* the accompanying Preliminary Decision Memorandum.

Companies Not Selected for Individual Review

For the companies not selected for individual review, because the rates calculated for Norma and RNG were above *de minimis* and not based entirely on facts available, we applied a subsidy rate based on a weighted-average of the subsidy rates calculated for Norma and RNG using publicly-ranged sales data submitted by the respondents. This is consistent with the methodology that we would use in an investigation to establish the all-others rate, consistent with section 705(c)(5)(A) of the Act.

Preliminary Results of Review

In accordance with 19 CFR 351.224(b)(4)(i), we calculated individual subsidy rates for Norma and RNG. For the period November 29, 2016 through December 31, 2017, we preliminarily determine that the following net subsidy rates exist:

⁵ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

Company	Subsidy Rate (percent <i>ad valorem</i>)
Norma (India) Ltd. ⁶	6.56
R.N. Gupta & Co. Ltd	4.79
Adinath International	5.63
Allena Group	5.63
Alloyed Steel	5.63
Bebitz Flanges Works Private Limited	5.63
C.D. Industries	5.63
CHW Forge	5.63
CHW Forge Pvt. Ltd.	5.63
Citizen Metal Depot	5.63
Corum Flange	5.63
DN Forge Industries	5.63
Echjay Forgings Limited	5.63
Falcon Valves and Flanges Private Limited	5.63
Heubach International	5.63
Hindon Forge Pvt. Ltd.	5.63
Jai Auto Pvt. Ltd.	5.63
Kinnari Steel Corporation	5.63
M F Rings and Bearing Races Ltd.	5.63

⁶ We note that cross-ownership exists between Norma (India) Ltd., USK Export Private Limited (USK), Uma Shanker Khandelwal and Co., (UMA) and Bansidhar Chiranjilal (BCL). *See* Preliminary Decision Memorandum at 8-9.

Mascot Metal Manufactures	5.63
OM Exports	5.63
Punjab Steel Works (PSW)	5.63
R.D. Forge	5.63
Raaj Sagar Steel	5.63
Ravi Ratan Metal Industries	5.63
Rolex Fittings India Pvt. Ltd.	5.63
Rollwell Forge Pvt. Ltd.	5.63
SHM (ShinHeung Machinery)	5.63
Siddhagiri Metal & Tubes	5.63
Sizer India	5.63
Steel Shape India	5.63
Sudhir Forgings Pvt. LTd.	5.63
Tirupati Forge	5.63

Assessment Rate

Consistent with section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce shall determine, and Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue instructions to CBP 15 days after publication of the final results of this review.

Cash Deposit Rate

Pursuant to section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amount indicated above with regard to

shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

We will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.⁷

Interested parties may submit written comments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs) within five days after the time limit for filing case briefs.⁸ Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.⁹

Interested parties who wish to request a hearing must do so within 30 days of publication of these preliminary results by submitting a written request to the Assistant Secretary for Enforcement and Compliance using Enforcement and Compliance's ACCESS system.¹⁰ Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce will inform parties of the scheduled date of the hearing which will be held at the U.S. Department of Commerce, 1401 Constitution Avenue,

⁷ See 19 CFR 224(b).

⁸ See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

⁹ See 19 CFR 351.309(c)(2) and 351.309(d)(2).

¹⁰ See 19 CFR 351.310(c).

NW, Washington, DC 20230, at a time and date to be determined.¹¹ Issues addressed during the hearing will be limited to those raised in the briefs.¹² Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Parties are reminded that all briefs and hearing requests must be filed electronically using ACCESS and received successfully in their entirety by 5 p.m. Eastern Time on the due date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after publication of these preliminary results.

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213.

Dated: October 8, 2019.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

¹¹ See 19 CFR 351.310.

¹² See 19 CFR 351.310(c).

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Period of Review
- V. Use of Facts Otherwise Available and Application of Adverse Inferences
- VI. Subsidies Valuation Information
- VII. Benchmark Interest Rates
- VIII. Analysis of Programs
- IX. Conclusion

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