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DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-893]

Forged Steel Fluid End Blocks from India: Preliminary Negative Determination of Sales at Less Than Fair Value and Postponement of Final Determination

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that forged steel fluid end blocks (fluid end blocks) from India are not being, or are not likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is October 1, 2018 through September 31, 2019. Interested parties are invited to comment on this preliminary determination.

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

FOR FURTHER INFORMATION CONTACT: Michael Romani or Jacob Keller, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0198 or (202) 482-4849, respectively.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 733(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this

investigation on January 15, 2020.¹ On March 26, 2020, Commerce postponed the preliminary determination of this investigation and the revised deadline is now July 16, 2020.² For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.³ A list of topics included in the Preliminary Decision Memorandum is included as Appendix II 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 <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Investigation

The products covered by this investigation are fluid end blocks from India, whether in finished or unfinished form, and which are typically used in the manufacture or service of hydraulic pumps. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

In accordance with the preamble to Commerce's regulations,⁴ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁵ Certain

¹ *See Forged Steel Fluid End Blocks from the Federal Republic of Germany, India, and Italy: Initiation of Less-Than-Fair-Value Investigations*, 85 FR 2394 (January 15, 2020) (*Initiation Notice*).

² *See Forged Steel Fluid End Blocks From the Federal Republic of Germany, India and Italy: Postponement of Preliminary Determinations in the Less-Than-Fair-Value Investigations*, 85 FR 17042 (March 26, 2020).

³ *See* Memorandum, "Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value Investigation of Forged Steel Fluid End Blocks from India," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

⁵ *See Initiation Notice*.

interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*. For a summary of the product coverage comments and rebuttal responses submitted to the record for this investigation, and accompanying discussion and analysis of all comments timely received, *see* the Preliminary Scope Decision Memorandum.⁶ As discussed therein, Commerce is preliminarily modifying the scope language as it appeared in the *Initiation Notice* to exclude fluid end block assemblies. *See* the revised scope in Appendix I to this notice.

The scope case briefs were originally due on June 25, 2020, 30 days after the publication of *Fluid End Blocks CVD Determinations*, and scope rebuttal briefs were originally due seven days thereafter on July 2, 2020.⁷ However, Commerce extended the deadline to submit scope case and rebuttal briefs to July 23, 2020, and July 30, 2020, respectively.⁸ There will be no further opportunity for comments on scope-related issues.⁹

⁶ *See* Memorandum, “Forged Steel Fluid End Blocks from the Federal Republic of Germany, India, Italy, and the People’s Republic of China: Scope Comments Decision Memorandum for the Preliminary Determinations,” dated May 18, 2020 (Preliminary Scope Decision Memorandum).

⁷ The scope case and rebuttal briefs were due 30 and 37 days, respectively, after the publication of *Forged Steel Fluid End Blocks from the People’s Republic of China: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination With Final Antidumping Duty Determination*, 85 FR 31457 (May 26, 2020); *Forged Steel Fluid End Blocks from Germany: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination With Final Antidumping Duty Determination*, 85 FR 31454 (May 26, 2020); *Forged Steel Fluid End Blocks from India: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination With Final Antidumping Duty Determination*, 85 FR 31452 (May 26, 2020); *Fluid End Blocks from Italy: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination With Final Antidumping Duty Determination*, 85 FR 31460 (May 26, 2020) (collectively, *Forged Fluid End Blocks CVD Determinations*). *See* Preliminary Scope Decision Memorandum at 4. Accordingly, the deadline for the scope case briefs was Thursday, June 25, 2020; and the deadline for the scope rebuttal briefs was Thursday, July 2, 2020.

⁸ Scope case briefs are now due on July 23, 2020 and rebuttal scope case briefs are due on July 30, 2020. *See* Memorandum “Antidumping and Countervailing Duty Investigations on Forged Steel Fluid End Blocks from the Federal Republic of Germany, India, Italy, and the People’s Republic of China: Revision of Schedule for Scope Case Briefs,” dated June 25, 2020.

⁹ Parties were already permitted the opportunity to file scope case and rebuttal briefs. Case briefs, other written comments, and rebuttal briefs submitted in response to this preliminary LTFV determination should not include scope-related issues. *See* Preliminary Scope Decision Memorandum at 4; *see also* “Public Comment” section of this notice.

Methodology

Commerce is conducting this investigation in accordance with section 731 of the Act. Commerce has calculated export prices in accordance with section 772(a) of the Act. Constructed export prices have been calculated in accordance with section 772(b) of the Act. Normal value (NV) is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying the preliminary determination, *see* the Preliminary Decision Memorandum.

Preliminary Determination

Commerce preliminarily determines that the following estimated weighted-average dumping margins exist:

Exporter or Producer	Estimated Weighted-Average Dumping Margin (percent)
Bharat Forge Limited	0.00 ¹⁰

Consistent with section 733(b)(3) of the Act, Commerce disregards *de minimis* rates. Accordingly, Commerce preliminarily determines that Bharat Forge Limited (Bharat), the only individually examined respondent with a zero rate, has not made sales of subject merchandise at LTFV.

Further, Commerce preliminarily determines that Ultra Engineers (Ultra), the only other known producer or exporter of subject merchandise identified in the *Initiation Notice*,¹¹ had no sales of in-scope merchandise to the United States during the POI. Therefore, we have not

¹⁰ See Memorandum, “Forged Steel Fluid End Blocks from India – Preliminary Determination Analysis Memorandum for Bharat Forge Limited,” dated concurrently with this notice.

¹¹ See *Initiation Notice*, 85 FR at 2397.

calculated an estimated weighted-average dumping margin for Ultra in this preliminary determination.¹²

Consistent with section 733(d) of the Act, Commerce has not calculated an estimated weighted-average dumping margin for all other producers and exporters because it has not made an affirmative preliminary determination of sales at LTFV.

Suspension of Liquidation

Because Commerce has made a negative preliminary determination of sales at LTFV with regard to subject merchandise, Commerce will not direct U.S. Customs and Border Protection to suspend liquidation or to require a cash deposit of estimated antidumping duties for entries of fluid end blocks from India.

Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties in this preliminary determination within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify the information relied upon in making its final determination concerning the estimated weighted-average dumping margin calculated for Bharat.

As explained in the Preliminary Decision Memorandum, Ultra reports that it had no sales of in-scope merchandise to the United States during the POI.¹³ As provided in section 782(i)(1)

¹² See Preliminary Decision Memorandum at 5-6.

¹³ *Id.*

of the Act, we intend to verify Ultra's claim that it did not sell the subject merchandise to the United States during the POI.

Public Comment

Case briefs or other written comments on non-scope issues may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last verification report is issued in this investigation. Rebuttal briefs, limited to issues raised in these case briefs, may be submitted no later than seven days after the deadline date for case briefs.¹⁴ Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹⁵ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. 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 intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

¹⁴ See 19 CFR 351.309; and 19 CFR 351.303 (for general filing requirements); *see also Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020) (*Temporary Rule*).

¹⁵ See *Temporary Rule*.

Postponement of Final Determination

Section 735(a)(2)(B) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of a negative preliminary determination, a request for such postponement is made by the petitioners. On June 24, 2020, the petitioners¹⁶ requested that Commerce postpone the final determination in the event of a negative preliminary determination.¹⁷ In accordance with section 735(a)(2)(B) of the Act, because the preliminary determination is negative, and the petitioners have requested the postponement of the final determination, Commerce is postponing the final determination. Accordingly, Commerce will make its final determination by no later than 135 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act.

International Trade Commission Notification

In accordance with section 733(f) of the Act, Commerce will notify the International Trade Commission (ITC) of its preliminary determination. If the final determination is affirmative, then the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether imports of fluid end blocks from India are materially injuring, or threaten material injury to, the U.S. industry.

¹⁶ The petitioners are FEB Fair Trade Coalition, Ellwood City Forge Company, Ellwood Quality Steels Company, Ellwood National Steel Company, and A. Finkl & Sons.

¹⁷ See Petitioners' Letter, "Forged Steel Fluid End Blocks from India: Petitioner's Request to Postpone the Antidumping Investigation Final Determination," dated June 24, 2020.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: July 16, 2020.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The products covered by this investigation are forged steel fluid end blocks (fluid end blocks), whether in finished or unfinished form, and which are typically used in the manufacture or service of hydraulic pumps.

The term “forged” is an industry term used to describe the grain texture of steel resulting from the application of localized compressive force. Illustrative forging standards include, but are not limited to, American Society for Testing and Materials (ASTM) specifications A668 and A788.

For purposes of this investigation, the term “steel” denotes metal containing the following chemical elements, by weight: (i) iron greater than or equal to 60 percent; (ii) nickel less than or equal to 8.5 percent; (iii) copper less than or equal to 6 percent; (iv) chromium greater than or equal to 0.4 percent, but less than or equal to 20 percent; and (v) molybdenum greater than or equal to 0.15 percent, but less than or equal to 3 percent. Illustrative steel standards include, but are not limited to, American Iron and Steel Institute (AISI) or Society of Automotive Engineers (SAE) grades 4130, 4135, 4140, 4320, 4330, 4340, 8630, 15-5, 17-4, F6NM, F22, F60, and XM25, as well as modified varieties of these grades.

The products covered by this investigation are: (1) cut-to-length fluid end blocks with an actual height (measured from its highest point) of 8 inches (203.2 mm) to 40 inches (1,016.0 mm), an actual width (measured from its widest point) of 8 inches (203.2 mm) to 40 inches (1,016.0 mm), and an actual length (measured from its longest point) of 11 inches (279.4 mm) to 75 inches (1,905.0 mm); and (2) strings of fluid end blocks with an actual height (measured from its highest point) of 8 inches (203.2 mm) to 40 inches (1,016.0 mm), an actual width (measured from its widest point) of 8 inches (203.2 mm) to 40 inches (1,016.0 mm), and an actual length (measured from its longest point) up to 360 inches (9,144.0 mm).

The products included in the scope of this investigation have a tensile strength of at least 70 KSI (measured in accordance with ASTM A370) and a hardness of at least 140 HBW (measured in accordance with ASTM E10).

A fluid end block may be imported in finished condition (i.e., ready for incorporation into a pump fluid end assembly without further finishing operations) or unfinished condition (i.e., forged but still requiring one or more finishing operations before it is ready for incorporation into a pump fluid end assembly). Such finishing operations may include: (1) heat treating; (2) milling one or more flat surfaces; (3) contour machining to custom shapes or dimensions; (4) drilling or boring holes; (5) threading holes; and/or (6) painting, varnishing, or coating.

Excluded from the scope of this investigation are fluid end block assemblies which (1) include (a) plungers and related housings, adapters, gaskets, seals, and packing nuts, (b) valves and related seats, springs, seals, and cover nuts, and (c) a discharge flange and related seals, and (2) are otherwise ready to be mated with the “power end” of a hydraulic pump without the need for

installation of any plunger, valve, or discharge flange components, or any other further manufacturing operations.

The products included in the scope of this investigation may enter under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7218.91.0030, 7218.99.0030, 7224.90.0015, 7224.90.0045, 7326.19.0010, 7326.90.8688, or 8413.91.9055. While these HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigations is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Treatment of Ultra Engineers
- IV. Period of Investigation
- V. Scope of Investigation
- VI. Discussion of the Methodology
- VII. Currency Conversion
- VIII. Recommendation

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