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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**[A-475-840]**

**Forged Steel Fluid End Blocks from Italy: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures**

**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 Italy are being, or are 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 30, 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:** Dmitry Vladimirov or Hermes Pinilla, 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) 482-0665 or (202) 482-3477, 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.<sup>1</sup> On March 26, 2020, Commerce postponed the preliminary determination of this investigation and the revised deadline is now July 16, 2020.<sup>2</sup> For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.<sup>3</sup> 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 Italy, 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

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<sup>1</sup> *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*).

<sup>2</sup> *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).

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

In accordance with the preamble to Commerce’s regulations,<sup>4</sup> the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).<sup>5</sup> Certain 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.<sup>6</sup> 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.<sup>7</sup> However, Commerce extended the deadline to submit scope case and rebuttal briefs to July 23, 2020, and July 30, 2020, respectively.<sup>8</sup> There will be no further opportunity for comments on scope-related issues.<sup>9</sup>

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

<sup>5</sup> *See Initiation Notice*, 85 FR at 2395; *see also* Commerce’s letter to all interested parties, dated January 27, 2020.

<sup>6</sup> *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).

<sup>7</sup> 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); *Forged Steel 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, *Fluid End Blocks CVD Determinations*). *See* the 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.

<sup>8</sup> *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.

<sup>9</sup> 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

## 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. Furthermore, pursuant to sections 776(a) and (b) of the Act, Commerce has preliminarily relied upon facts otherwise available, with adverse inferences for IMER International S.p.A., Galperti Group, Mimest S.p.A., and P. Technologies S.r.l. For a full description of the methodology underlying the preliminary determination, *see* the Preliminary Decision Memorandum.

## All-Others Rate

Section 733(d)(1)(A)(ii) of the Act provides that in the preliminary determination Commerce shall determine an estimated all-others rate for all exporters and producers not individually examined. Pursuant to section 735(c)(5)(A) of the Act, this 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 margins that are zero, *de minimis*, or determined entirely under section 776 of the Act.

Commerce has preliminarily determined that the estimated weighted-average dumping margin for Metalcam S.p.A. is zero. Therefore, the only rate that is not zero, *de minimis*, or based entirely on facts otherwise available, is the rate calculated for Lucchini Mamé Forge

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scope-related issues. *See* Preliminary Scope Decision Memorandum at 4. *See also* “Public Comment” section of this notice.

S.p.A. Consequently, the rate calculated for Lucchini Mamé Forge S.p.A., is assigned as the rate for all other producers and exporters.

#### Preliminary Determination

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

<b>Exporter or Producer</b>	<b>Estimated Weighted-Average Dumping Margin (percent)</b>
Metalcam S.p.A.	0.00 <sup>10</sup>
Lucchini Mamé Forge S.p.A.	4.84 <sup>11</sup>
IMER International S.p.A.	**50.93
Galperti Group	**50.93
Mimest S.p.A.	**50.93
P. Technologies S.r.l.	**50.93
All Others	4.84

\*\* Adverse Facts Available (AFA)

Consistent with section 733(b)(3) of the Act, Commerce disregards *de minimis* rates.

Accordingly, Commerce preliminarily determines that Metalcam S.p.A, an individually examined respondent with a zero rate, has not made sales of subject merchandise at LTFV.

#### Suspension of Liquidation

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<sup>10</sup> See Memorandum, “Forged Steel Fluid End Blocks from Italy – Preliminary Determination Analysis Memorandum for Metalcam S.p.A.,” dated concurrently with this notice.

<sup>11</sup> See Memorandum, “Forged Steel Fluid End Blocks from Italy – Preliminary Determination Analysis Memorandum for Lucchini Mamé Forge S.p.A.,” dated concurrently with this notice.

In accordance with section 733(d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise, as described in Appendix I, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register* except for those entries of subject merchandise produced and exported by Metalcam S.p.A. Because the estimated weighted-average dumping margin for Metalcam S.p.A. is zero, we are not directing CBP to suspend liquidation of entries of the subject merchandise it produced and exported.

Further, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), where appropriate, Commerce will instruct CBP to require a cash deposit 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 company-specific estimated weighted-average dumping margins determined in this preliminary 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 company-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. These suspension of liquidation instructions will remain in effect until further notice.

Because the estimated weighted-average dumping margin for Metalcam S.p.A. is zero, entries of shipments of subject merchandise from this company will not be subject to suspension of liquidation or cash deposit requirements. In such situations, Commerce applies the exclusion to the provisional measures to the producer/exporter combination that was examined in the investigation. Accordingly, Commerce is directing CBP not to suspend liquidation of entries of subject merchandise produced and exported by Metalcam S.p.A. Entries of shipments of subject

merchandise from this company in any other producer/exporter combination, or by third parties that sourced subject merchandise from the excluded producer/exporter combination, are subject to the provisional measures at the all-others rate.

Should the final estimated weighted-average dumping margin be zero or *de minimis* for the producer/exporter combination identified above, entries of shipments of subject merchandise from this producer/exporter combination will be excluded from the potential antidumping duty order. Such an exclusion is not applicable to merchandise exported to the United States by this respondent in any other producer/exporter combinations or by third parties that sourced subject merchandise from the excluded producer/exporter combination.

While 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, we have preliminarily not adjusted the cash deposit rates listed above because Commerce found no countervailable export subsidies in the preliminary determination of the companion CVD investigation.<sup>12</sup>

#### 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

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<sup>12</sup> See *Forged Steel Fluid End Blocks from the Federal Republic of Italy: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination with Final Antidumping Duty Determination*, 85 FR 31460 (May 26, 2020), and accompanying Preliminary Decision Memorandum.

As provided in section 782(i)(1) of the Act, Commerce intends to verify the information relied upon in making its final determination.

### 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.<sup>13</sup> Note that Commerce has modified certain of its requirements for serving documents containing business proprietary information until further notice.<sup>14</sup> 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.

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<sup>13</sup> See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

<sup>14</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

## Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) 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 an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. Section 351.210(e)(2) of Commerce's regulations requires that a request by exporters for postponement of the final determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

On June 12 and 16, 2020, pursuant to 19 CFR 351.210(e), Metalcam S.p.A and Lucchini Mamé Forge S.p.A. requested, respectively, that Commerce postpone the final determination and that provisional measures be extended to a period not to exceed six months.<sup>15</sup> In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because: (1) the preliminary determination is affirmative; (2) the requesting exporters account for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, Commerce is postponing the final determination and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, Commerce will make its final determination no later than 135 days after the date of publication of this preliminary determination.

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<sup>15</sup> See Metalcam S.p.A.'s Letter, "Antidumping Duty Investigation of Forged Steel Fluid End Blocks from Italy: Request to Postpone Final Determination," dated June 12, 2020; and Lucchini Mamé Forge S.p.A.'s Letter, "Antidumping Duty Investigation of Forged Steel Fluid End Blocks from Italy: Lucchini Mamé Forge S.p.A. Request to Postpone the Final Determination," dated June 16, 2020.

### 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 Italy are materially injuring, or threaten material injury to, the U.S. industry.

### 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 investigation is dispositive.

## **Appendix II**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Scope of Investigation
- V. Application of Facts Available and Use of Adverse Inference
- VI. Discussion of the Methodology
- VII. Currency Conversion
- VIII. Recommendation

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