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DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-891]

Forged Steel Fittings from India: Final Affirmative Determination of Sales at Less Than Fair Value

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

SUMMARY: The Department of Commerce (Commerce) determines that forged steel fittings (FSF) from India are being, or are likely to be, sold in the United States at less than fair value (LTFV).

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

FOR FURTHER INFORMATION CONTACT: Caitlin Monks, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2670.

SUPPLEMENTARY INFORMATION:

Background

On May 28, 2020, Commerce published the *Preliminary Determination* in this investigation.¹ A summary of the events that occurred since Commerce published the

¹ See *Forged Steel Fittings from India: Preliminary Affirmative Determination of Sales at Less-Than-Fair-Value, Postponement of Final Determination, and Extension of Provisional Measures*, 85 FR 32007 (May 28, 2020) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum.

Preliminary Determination, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum.²

Period of Investigation

The period of investigation is October 1, 2018 through September 30, 2019.

Scope of the Investigation

The products covered by this investigation are forged steel fittings from India. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

On May 20, 2020, we issued a Preliminary Scope Decision Memorandum.³ Between June and July 2020, we received additional scope comments from several interested parties, including the petitioners. In response to these comments, we have made changes to the scope of the investigation for this final determination. For a full discussion and analysis of the scope comments timely received, *see* the Final Scope Decision Memorandum.⁴

Analysis of Comments Received

All issues raised in the case briefs and rebuttal briefs submitted by interested parties in this proceeding are discussed in the Issues and Decision Memorandum. A list of the issues raised by parties and responded to by Commerce in the Issues and Decision Memorandum is attached to this notice as Appendix II. The Issues and Decision Memorandum is a public document and is available electronically via Enforcement and Compliance's Antidumping and

² *See* Memorandum, "Issues and Decision Memorandum for the Final Determination in the Less-Than-Fair-Value Investigation of Forged Steel Fittings from India," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

³ *See* Memorandum, "Forged Steel Fittings from India and the Republic of Korea: Scope Comments Preliminary Decision Memorandum," dated May 20, 2020 (Preliminary Scope Decision Memorandum).

⁴ *See* Memorandum, "Forged Steel Fittings from India and the Republic of Korea: Final Scope Decision Memorandum" (Final Scope Decision Memorandum), dated October 13, 2020.

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 Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Verification

Commerce normally verifies information relied upon in making final determination, pursuant to section 782(i)(1) of the Tariff Act of 1930, as amended (the Act). However, during the course of this investigation, Commerce was unable to conduct on-site verification due to travel restrictions and took additional steps in lieu of verification, as discussed in the Issues and Decision Memorandum. Consistent with section 776(a)(2)(D) of the Act, Commerce relied on the information submitted on the record as facts available in making our final determination.⁵

Changes Since the *Preliminary Determination*

Based on our analysis of the comments received and additional information obtained since our preliminary findings, we made certain changes to the margin calculations for Shakti Forge Industries Pvt. Ltd. (Shakti), the sole cooperative respondent in this investigation, since the *Preliminary Determination*. For a discussion of these changes, *see* the Issues and Decision Memorandum.

All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated weighted-average dumping margin for all other producers and exporters not individually investigated shall be equal to the weighted average of the estimated weighted-average dumping margins established for

⁵ *Id.*

individually investigated exporters and producers, excluding any margins that are zero or *de minimis* or any margins determined entirely under section 776 of the Act.

Pursuant to section 735(c)(5)(B) of the Act, if the estimated weighted-average dumping margins established for all exporters and producers individually examined are zero, *de minimis* or determined based entirely on facts otherwise available, Commerce may use “any reasonable method” to establish the estimated weighted-average dumping margin for all other producers or exporters. One method contemplated by section 735(c)(5)(B) of the Act is “averaging the estimated weighted average dumping margins determined for the exporters and producers individually investigated.”

For this final determination, Commerce has determined that the estimated weighted-average dumping margin for Shakti is zero. In addition, Commerce has determined the estimated weighted-average dumping margins for Nikoo Forge and Pan entirely on the basis of facts otherwise available (*i.e.*, 293.40 percent).⁶ Because we have no calculated rates that are not based entirely on facts available, zero, or *de minimis*, we have determined that a reasonable method for assigning a margin to all other producers or exporters is to average the weighted-average dumping margins calculated for the three mandatory respondents. The simple average of these rates is 195.60 percent, and, pursuant to section 735(c)(5)(B) of the Act, this is the rate we are assigning as the all-others rate. For a full discussion of the all-others rate methodology, *see* the Issues and Decision Memorandum.

⁶ *See* Issues and Decision Memorandum.

Final Determination

The estimated weighted-average dumping margins are as follows:

Exporter/Producer	Estimated Weighted-Average Dumping Margin (percent)	Cash Deposit Rate (Adjusted for Subsidy Offset(s)) (percent) ⁷
Shakti Forge Industries Pvt. Ltd ⁸	*0.00	Not Applicable
Nikoo Forge Pvt. Ltd.	**293.40	290.88
Pan International	**293.40	290.88
Disha Auto Components Pvt. Ltd	**293.40	290.88
Dynamic Flow Products	**293.40	290.88
Kirtanlal Steel Pvt Ltd	**293.40	290.88
Metal Forgings Pvt Ltd	**293.40	290.88
Patton International Limited	**293.40	290.88
Sage Metals Limited	**293.40	290.88
Technotrak Engineers	**293.40	290.88
All-Others	195.60	193.08

*(*de minimis*)

** (AFA)

Disclosure

⁷ See Memorandum, “Final Countervailing Duty Determination Calculations for Shakti Forge Industries Pvt. Ltd. and Shakti Forge,” dated October 13, 2020.

⁸ Shakti and Shakti Forge are a single entity. See Preliminary Decision Memorandum.

Commerce intends to disclose its calculations and analysis performed to interested parties in this final 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).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to continue the suspension of liquidation of all appropriate entries of FSF, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after May 28, 2020, the date of publication of the *Preliminary Determination* in this investigation in the *Federal Register*. Further, 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.

Pursuant to section 735(c)(1)(B)(ii) of the Act, we will instruct CBP to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price as follows: (1) the cash deposit rate for the respondent 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. These suspension of liquidation instructions will remain in effect until further notice. Because the rate for Shakti is zero, we will not instruct CBP to suspend liquidation of entries of subject merchandise produced and exported by Shakti or Shakti Forge or to require cash deposits on

such entries.

International Trade Commission Notification

In accordance with section 735(d) of the Act, Commerce will notify the International Trade Commission (ITC) of its 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 material injury or threat of material 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.

Notification Regarding Administrative Protective Orders

This notice serves as the only reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely notification of the return or 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.

Notification to Interested Parties

This determination is issued and published in accordance with sections 735(d) and 777(i) of the Act and 19 CFR 351.210(c).

Dated: October 13, 2020.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is carbon and alloy forged steel fittings, whether unfinished (commonly known as blanks or rough forgings) or finished. Such fittings are made in a variety of shapes including, but not limited to, elbows, tees, crosses, laterals, couplings, reducers, caps, plugs, bushings, unions (including hammer unions), and outlets. Forged steel fittings are covered regardless of end finish, whether threaded, socket-weld or other end connections. The scope includes integrally reinforced forged branch outlet fittings, regardless of whether they have one or more ends that is a socket welding, threaded, butt welding end, or other end connections.

While these fittings are generally manufactured to specifications ASME B16.11, MSS SP-79, MSS SP-83, MSS-SP-97, ASTM A105, ASTM A350 and ASTM A182, the scope is not limited to fittings made to these specifications.

The term forged is an industry term used to describe a class of products included in applicable standards, and it does not reference an exclusive manufacturing process. Forged steel fittings are not manufactured from casings. Pursuant to the applicable standards, fittings may also be machined from bar stock or machined from seamless pipe and tube.

All types of forged steel fittings are included in the scope regardless of nominal pipe size (which may or may not be expressed in inches of nominal pipe size), pressure class rating (expressed in pounds of pressure, *e.g.*, 2,000 or 2M; 3,000 or 3M; 6,000 or 6M; 9,000 or 9M), wall thickness, and whether or not heat treated.

Excluded from this scope are all fittings entirely made of stainless steel. Also excluded are flanges, nipples, and all fittings that have a maximum pressure rating of 300 pounds per square inch/PSI or less.

Also excluded from the scope are fittings certified or made to the following standards, so long as the fittings are not also manufactured to the specifications of ASME B16.11, MSS SP-79, MSS SP-83, MSS SP-97, ASTM A105, ASTM A350 and ASTM A182:

- American Petroleum Institute (API) 5CT, API 5L, or API 11B;
- American Society of Mechanical Engineers (ASME) B16.9;
- Manufacturers Standardization Society (MSS) SP-75;
- Society of Automotive Engineering (SAE) J476, SAE J514, SAE J516, SAE J517, SAE J518, SAE J1026, SAE J1231, SAE J1453, SAE J1926, J2044 or SAE AS 35411;
- Hydraulic hose fittings (*e.g.*, fittings used in high pressure water cleaning applications, in the manufacture of hydraulic engines, to connect rubber dispensing hoses to a dispensing nozzle or grease fitting) made to ISO 12151-1, 12151-2, 12151-3, 12151-4, 12151-5, or 12151-6;
- Underwriter's Laboratories (UL) certified electrical conduit fittings;

- ASTM A153, A536, A576, or A865;
- Casing conductor connectors made to proprietary specifications;
- Machined steel parts (*e.g.*, couplers) that are not certified to any specifications in this scope description and that are not for connecting steel pipes for distributing gas and liquids;
- Oil country tubular goods (OCTG) connectors (*e.g.*, forged steel tubular connectors for API 5L pipes or OCTG for offshore oil and gas drilling and extraction);
- Military Specification (MIL) MIL-C-4109F and MIL-F-3541; and
- International Organization for Standardization (ISO) ISO6150-B.

Also excluded from the scope are assembled or unassembled hammer unions that consist of a nut and two subs. To qualify for this exclusion, the hammer union must meet each of the following criteria: (1) the face of the nut of the hammer union is permanently marked with one of the following markings: “FIG 100,” “FIG 110,” “FIG 100C,” “FIG 200,” “FIG 200C,” “FIG 201,” “FIG 202,” “FIG 206,” “FIG 207,” “FIG 211,” “FIG 300,” “FIG 301,” “FIG 400,” “FIG 600,” “FIG 602,” “FIG 607,” “FIG 1002,” “FIG 1003,” “FIG 1502,” “FIG 1505,” “FIG 2002,” or “FIG 2202”; (2) the hammer union does not bear any of the following markings: “Class 3000,” “Class 3M,” “Class 6000,” “Class 6M,” “Class 9000,” or “Class 9M”; and (3) the nut and both subs of the hammer union are painted.

Also excluded from the scope are subs or wingnuts made to ASTM A788, marked with “FIG 1002,” “FIG 1502,” or “FIG 2002,” and with a pressure rating of 10,000 PSI or greater. These parts are made from AISI/SAE 4130, 4140, or 4340 steel and are 100 percent magnetic particle inspected before shipment.

Also excluded from the scope are tee, elbow, cross, adapter (or “crossover”), blast joint (or “spacer”), blind sub, swivel joint and pup joint which have wing nut or not. To qualify for this exclusion, these products must meet each of the following criteria: (1) Manufacturing and Inspection standard is API 6A or API 16C; and, (2) body or wing nut is permanently marked with one of the following markings: “FIG 2002,” “FIG 1502,” “FIG 1002,” “FIG 602,” “FIG 206,” or “FIG any other number” or MTR (Material Test Report) shows these FIG numbers.

To be excluded from the scope, products must have the appropriate standard or pressure markings and/or be accompanied by documentation showing product compliance to the applicable standard or pressure, *e.g.*, “API 5CT” mark and/or a mill certification report.

Subject carbon and alloy forged steel fittings are normally entered under Harmonized Tariff Schedule of the United States (HTSUS) 7307.92.3010, 7307.92.3030, 7307.92.9000, 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060. They may also be entered under HTSUS 7307.93.3010, 7307.93.3040, 7307.93.6000, 7307.93.9010, 7307.93.9040, 7307.93.9060, and 7326.19.0010.

The HTSUS subheadings and 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. Scope Comments
- V. Application of Facts Available and Use of Adverse Inferences
- VI. Changes Since the *Preliminary Determination*
- VII. Discussion of the Issues
 - Comment 1: Whether Commerce Should Revise Its All-Others Methodology
 - Comment 2: Whether Commerce Should Base Shakti's Dumping Margin on Adverse Facts Available
 - Comment 3: Whether Commerce Should Adjust Shakti's Direct Materials Consumption Cost
 - Comment 4: Whether Commerce Should Disallow the Interest Expense Offset of Shakti Forge
- VIII. Recommendation

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