



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-533-872]

### Finished Carbon Steel Flanges from India: Preliminary Results of Countervailing Duty Administrative Review and Intent to Rescind, in Part; 2018

**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), January 1, 2018 through December 31, 2018. In addition, we are announcing our intent to rescind this review with respect to two companies. Interested parties are invited to comment on these preliminary results.

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

**FOR FURTHER INFORMATION CONTACT:** John McGowan or Tyler Weinhold, 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) 482-3019 or (202) 482-1121, respectively.

### SUPPLEMENTARY INFORMATION:

#### Background

On August 24, 2017, Commerce published in the *Federal Register* the countervailing duty (CVD) order on finished carbon steel flanges (steel flanges) from India.<sup>1</sup> On August 2, 2019, Commerce published a notice of opportunity to request an administrative review of the *Order*.<sup>2</sup> On September 3, 2019, Weldbend Corporation and Boltex Mfg. Co., L.P., (the

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

<sup>2</sup> See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 84 FR 37834 (August 2, 2019).

petitioners), requested a review of 37 producers and/or exporters of subject merchandise.<sup>3</sup> Further, from August 29, 2019 through September 3, 2019, Norma,<sup>4</sup> RNG, Jai Auto Pvt. Ltd., and Bebitz Flanges Works Private Limited, foreign producers or exporters of subject merchandise, each requested a review of the *Order* with respect to themselves.<sup>5</sup> On October 7, 2019, Commerce published a notice of initiation of an administrative review of the *Order*.<sup>6</sup> Based on our examination of the Customs and Border Protection (CBP) data, on November 6, 2019, we selected Norma and RNG, the two largest producers and/or exporters, as mandatory respondents.<sup>7</sup>

On April 24, 2020, Commerce tolled all deadlines in administrative reviews by 50 days, thereby extending the deadline for these preliminary results until June 22, 2020.<sup>8</sup> Further, on June 19, 2020, Commerce extended the time period for issuing these preliminary results by 109 days, in accordance with section 751(a)(3)(A) of the Act, to October 8, 2020.<sup>9</sup> On July 21, 2020, Commerce again tolled all deadlines in administrative reviews by 60 days, thereby extending the deadline for these results until December 7, 2020.<sup>10</sup> For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>11</sup> A list of topics discussed in the Preliminary Decision Memorandum is included at Appendix I to this

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<sup>3</sup> *See* Petitioners' Letter, "Finished Carbon Steel Flanges from India: Request for Administrative Review," dated September 3, 2019 (Petitioners' Review Request).

<sup>4</sup> We note that Norma requested a review of itself and its affiliates USK Export Private Limited (USK); Uma Shanker Khandelwal and Co. (UMA); and Bansidhar Chiranjilal (BCL).

<sup>5</sup> *See* Norma's Letter, "Finished Carbon Steel Flanges from India: Request for an Administrative Review," dated August 29, 2019; *see also* RNG's Letter, "Finished Carbon Steel Flanges from India: Request for Countervailing Duty Administrative Review," August 30, 2019; Jai Auto Pvt. Ltd.'s Letter, "Request for Review of Countervailing Duty Administrative Review of Finished Carbon Steel Flanges from India," dated August 30, 2019; and Bebitz Flanges Works Private Limited's Letter, "Finished Carbon Steel Flanges from India: Requests for Administrative Review," dated September 3, 2019.

<sup>6</sup> *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 53411, 53421-53422 (October 7, 2019).

<sup>7</sup> *See* Memorandum, "Countervailing Duty Administrative Review of Finished Carbon Steel Flanges from India: Respondent Selection," dated November 4, 2019.

<sup>8</sup> *See* Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews in Response to Operational Adjustments Due to COVID-19," dated April 24, 2020.

<sup>9</sup> *See* Memorandum, "Finished Carbon Steel Flanges from India: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 1/1/2018 – 12/31/2018," dated June 19, 2020.

<sup>10</sup> *See* Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews," dated July 21, 2020.

<sup>11</sup> *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).

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>. 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 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.<sup>12</sup> For a full description of the methodology underlying our conclusions, see the accompanying Preliminary Decision Memorandum.

### Companies Not Selected for Individual Review

There are 31 companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents. The statute and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides the basis for calculating the all-others rate in an investigation.

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<sup>12</sup> 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.

Section 705(c)(5)(A)(i) of the Act instructs Commerce, as a general rule, to calculate an all-others rate equal to the weighted average of the countervailable subsidy rates established for exporters and/or producers individually examined, excluding any zero, *de minimis*, or rates based entirely on facts available. In this review, none of the rates for respondents were zero, *de minimis*, or based entirely on facts available. For the companies for which a review was requested that were not selected as mandatory company respondents, and for which Commerce did not receive a timely request for withdrawal of review, and for which Commerce is not finding to be cross-owned with the mandatory company respondents, Commerce based the subsidy rate on a weighted-average of the subsidy rates calculated for the two mandatory respondents, Norma and RNG, using their publicly-ranged sales data for exports of subject merchandise to the United States during the POR. For further discussion, please see the All-Others Rate Calculation Memorandum.<sup>13</sup>

#### Intent to Rescind Administrative Review, in Part

On September 21, 2020, the petitioners stated that they had inadvertently included in their request for review Bebitz U.S.A., Inc., a United States importer.<sup>14</sup> Additionally, information on the record demonstrates that Silbo Industries, Inc. is a U.S. importer.<sup>15</sup> Because Commerce does not conduct reviews of U.S. importers, and because the CBP demonstrate that neither company exported subject merchandise to the United States during the POR,<sup>16</sup> we intend to rescind this review with respect to Bebitz U.S.A., Inc. and Silbo Industries, Inc. For further details, *see* the Preliminary Decision Memorandum.

#### Preliminary Results of Review

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<sup>13</sup> See Memorandum, “Preliminary Results Calculation for the ‘All-Others’ Rate,” dated concurrently with this notice (All-Others Rate Calculation Memorandum).

<sup>14</sup> See Memorandum, “Administrative Review of the Countervailing Duty Order on Finished Carbon Steel Flanges from India: Phone Call with Counsel to the Petitioners,” dated September 23, 2020.

<sup>15</sup> See Silbo Industries, Inc.’s Letter, “Silbo’s Request to Rescind the Review: 2nd Administrative Review of the Countervailing Duty Order on Finished Carbon Steel Flanges from India (C-533-872),” dated January 16, 2020.

<sup>16</sup> See Memorandum, “Finished Carbon Steel Flanges from India: Release of U.S. Customs and Border Protection Import Data,” dated October 18, 2019.

In accordance with 19 CFR 351.221(b)(4)(i), we calculated individual subsidy rates for Norma and RNG. For the period January 1, 2018 through December 31, 2018, we preliminarily determine that the following net countervailable subsidy rates exist:

<b>Company</b>	<b>Subsidy Rate (percent <i>ad valorem</i>)</b>
Norma (India) Ltd. <sup>17</sup>	5.61
R.N. Gupta & Co. Ltd.	5.42
Companies Not Selected for Individual Examination ( <i>see</i> Appendix II)	5.51

#### Assessment Rate

Consistent with section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce shall determine, and CBP shall assess, CVDs 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.

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<sup>17</sup> In the investigation, Commerce found the following companies to be cross-owned with Norma (India) Ltd.: USK Export Private Limited (USK); Uma Shanker Khandelwal and Co. (UMA); and Bansidhar Chiranjilal (BCL). *See* Preliminary Decision Memorandum at 7; this finding is unchanged in these preliminary results. This rate applies to all cross-owned companies.

## Cash Deposit Rate

Pursuant to section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated CVDs 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 CVDs 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.<sup>18</sup> Interested parties may submit written comments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs) within seven days<sup>19</sup> after the time limit for filing case briefs.<sup>20</sup> 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.<sup>21</sup> Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.<sup>22</sup>

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance using Enforcement and Compliance's ACCESS system within 30 days of the publication of this notice.<sup>23</sup> Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants, whether any

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<sup>18</sup> See 19 CFR 351.224(b).

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

<sup>20</sup> See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1); see also 19 CFR 351.303 (for general filing requirements).

<sup>21</sup> See 19 CFR 351.309(c)(2) and 351.309(d)(2).

<sup>22</sup> See *Temporary Rule*.

<sup>23</sup> See 19 CFR 351.310(c).

participant is a foreign national; and (3) 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.<sup>24</sup> Issues addressed during the hearing will be limited to those raised in the briefs.<sup>25</sup> Parties should confirm by telephone the date and time 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:** December 3, 2020.

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

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<sup>24</sup> See 19 CFR 351.310.

<sup>25</sup> See 19 CFR 351.310(c).

## **Appendix I**

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

- I. Summary
- II. Background
- III. Intent to Rescind, in Part
- IV. Scope of the Order
- V. Period of Review
- VI. Subsidies Valuation Information
- VII. Benchmark Interest Rates and Discount Rates
- VIII. Analysis of Programs
- IX. Conclusion

## Appendix II

### Companies Not Selected for Individual Examination

1. Adinath International
2. Allena Group
3. Alloyed Steel
4. Bebitz Flanges Works Private Limited
5. C.D. Industries
6. CHW Forge
7. CHW Forge Pvt. Ltd.
8. Citizen Metal Depot
9. Corum Flange
10. DN Forge Industries
11. Echjay Forgings Limited
12. Falcon Valves and Flanges Private Limited
13. Heubach International
14. Hindon Forge Pvt. Ltd.
15. Jai Auto Pvt. Ltd.
16. Kinnari Steel Corporation
17. Mascot Metal Manufacturers
18. M F Rings and Bearing Races Ltd.
19. OM Exports
20. Punjab Steel Works (PSW)
21. Raaj Sagar Steel
22. Ravi Ratan Metal Industries
23. R. D. Forge
24. Rolex Fittings India Pvt. Ltd.
25. Rollwell Forge Pvt. Ltd.
26. SHM (ShinHeung Machinery)
27. Siddhagiri Metal & Tubes
28. Sizer India
29. Steel Shape India
30. Sudhir Forgings Pvt. Ltd.
31. Tirupati Forge