



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-116, C-428-848, C-533-894, C-475-841]

Forged Steel Fluid End Blocks from the People's Republic of China, the Federal Republic of Germany, India, and Italy: Countervailing Duty Orders, and Amended Final Affirmative Countervailing Duty Determination for the People's Republic of China

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

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing countervailing duty orders on forged steel fluid end blocks (FEBs) from the People's Republic of China (China), the Federal Republic of Germany (Germany), India, and Italy. In addition, Commerce is amending its final determination with respect to FEBs from China to correct ministerial errors.

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

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SUPPLEMENTARY INFORMATION:

Background

In accordance with sections 705(a), 705(d), and 777(i)(1) of the Tariff Act of 1930, as

amended (the Act), and 19 CFR 351.210(c), on December 11, 2020, Commerce published its affirmative final determinations that countervailable subsidies are being provided to producers and exporters of FEBs from China, Germany, India, and Italy.¹ In the investigation of FEBs from China, an interested party to the investigation submitted a timely filed allegation on the record that Commerce made certain ministerial errors in the final countervailing duty determination on FEBs from China. Section 705(e) of the Act and 19 CFR 351.224(f) define ministerial errors as errors in addition, subtraction, or other arithmetic function, clerical errors resulting from inaccurate copying, duplication, or the like, and any other type of unintentional error which Commerce considers ministerial. We reviewed the allegations and determined that we made certain ministerial errors in the final countervailing duty determination on FEBs from China. *See* “Amendment to the Final Determination” section below for further discussion.

On January 25, 2021, the ITC notified Commerce of its affirmative final determinations that pursuant to sections 705(b)(1)(A)(i) and 705(d) of the Act, that an industry in the United States is materially injured by reason of subsidized imports of subject merchandise from China, Germany, India, and Italy.²

Scope of the Orders

The merchandise covered by these orders is FEBs from China, Germany, India, and Italy. For a complete description of the scope of these orders, *see* the appendix to this notice.

¹ See *Forged Steel Fluid End Blocks from the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 85 FR 80020 (December 11, 2020) (*China Final Determination*); *Forged Steel Fluid End Blocks From the Federal Republic of Germany: Final Affirmative Countervailing Duty Determination*, 85 FR 80011 (December 11, 2020); *Forged Steel Fluid End Blocks from India: Final Affirmative Countervailing Duty Determination*, 85 FR 79999 (December 11, 2020); and *Forged Steel Fluid End Blocks from Italy: Final Affirmative Countervailing Duty Determination*, 85 FR 80022 (December 11, 2020).

² See ITC’s Letter, “Notification of ITC Final Determinations,” dated January 25, 2021 (ITC Notification Letter).

Amendment to the Final Determination of FEBs from China

On December 21, 2020, Shanghai Qinghe Machinery Co., Ltd. (Qinghe) timely alleged that the *China Final Determination* contained certain ministerial errors and requested that Commerce correct such errors.³

Commerce reviewed the record and, on January 6, 2020, agreed that an error referenced in Qinghe's allegation constituted a ministerial error within the meaning of section 705(e) of the Act and 19 CFR 351.224(f).⁴ Specifically, Commerce found that it made an error in calculating Qinghe's sales denominator used in the *China Final Determination* by excluding "other operating revenue" from the denominator, and in the use of a denominator other than the sales value from the period of investigation.⁵ Pursuant to 19 CFR 351.224(e), Commerce is amending the *China Final Determination* to reflect the correction of the ministerial error described above. Based on this correction, the subsidy rate for Qinghe decreased from 19.88 percent *ad valorem* to 19.31 percent *ad valorem*.⁶ Because we based the all-others rate on Qinghe's *ad valorem* subsidy rate,⁷ the correction described above also applies to the all-others rate. As a result, the all-others rate determined in the *China Final Determination* also decreased from 19.52 percent *ad valorem* to 19.05 percent *ad valorem*.⁸ Because we used the subsidy rate for several programs in our calculation of the adverse facts available (AFA) rate, the AFA rate also decreased from 337.09 percent *ad valorem* to 336.55 percent *ad valorem*.⁹

Countervailing Duty Orders

On January 25, 2021, in accordance with sections 705(b)(1)(A)(i) and 705(d) of the Act, the ITC notified Commerce of its final determinations in these investigations, in which it found

³ See Qinghe's Letter, "Qinghe Comments on Ministerial Errors in the Final Determination and the Disclosed Calculations for Qinghe: Countervailing Duty Investigation of Forged Steel Fluid End Blocks from the People's Republic of China (C-570-116)," dated December 21, 2020.

⁴ See Memorandum, "Countervailing Duty Investigation of Forged Steel Fluid End Blocks from the People's Republic of China – Ministerial Error Allegations in the Final Determination," dated January 6, 2021 (Ministerial Error Memorandum), at 1-3.

⁵ *Id.*

⁶ *Id.*

⁷ See *China Final Determination*, 85 FR at 80021.

⁸ See Ministerial Error Memorandum.

⁹ *Id.*

that an industry in the United States is materially injured by reason of subsidized imports of FEBs from China, Germany, India, and Italy.¹⁰ Therefore, in accordance with section 705(c)(2) of the Act, Commerce is issuing these countervailing duty orders. Because the ITC determined that imports of FEBs from China, Germany, India, and Italy are materially injuring a U.S. industry, unliquidated entries of such merchandise from China, Germany, India, and Italy, entered or withdrawn from warehouse for consumption, are subject to the assessment of countervailing duties.

Therefore, in accordance with section 706(a) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by Commerce, countervailing duties for all relevant entries of FEBs from China, Germany, India, and Italy, which are entered, or withdrawn from warehouse, for consumption on or after May 26, 2020, the date of publication of the *Preliminary Determinations*,¹¹ but will not include entries occurring after the expiration of the provisional measures period and before the publication of the ITC's final injury determinations under section 705(b) of the Act, as further described below.

Suspension of Liquidation and Cash Deposits

In accordance with section 706 of the Act, Commerce will instruct CBP to reinstitute the suspension of liquidation of FEBs from China, Germany, India, and Italy, as described in the appendix to this notice, effective on the date of publication of the ITC's notice of final determinations in the *Federal Register*, and to assess, upon further instruction by Commerce, pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates below. On or after the

¹⁰ See ITC Notification Letter.

¹¹ See *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 the Federal Republic of 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); and *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, *Preliminary Determinations*).

date of publication of the ITC's final injury determinations in the *Federal Register*, CBP must require, at the same time as importers would deposit estimated normal customs duties on this merchandise, a cash deposit equal to the rates noted below. The all-others rate applies to all producers or exporters not specifically listed below.

China	
Company	Subsidy Rate (percent)
Nanjing Develop Advanced Manufacturing Co., Ltd.	16.80
Shanghai Qinghe Machinery Co., Ltd.	19.31
China Machinery Industrial Products Co., Ltd.	
Anhui Tianyu Petroleum Equipment Manufacturing Co., Ltd.	
CNCCC Sichuan Imp & Exp Co., Ltd.	
GE Petroleum Equipment (Beijing) Co., Ltd.	
Jiaxing Shenghe Petroleum Machinery Co., Ltd.	
Ningbo Minmetals & Machinery Imp & Exp Co., Ltd.	
Qingdao RT G&M Co., Ltd.	336.55
Shandong Fenghuang Foundry Co., Ltd	
Shandongshengjin Ruite Energy Equipment Co., Ltd. (part of Shengli Oilfield R&T Group)	
Shanghai Baisheng Precision Machine	
Shanghai Boss Petroleum Equipment	
Shanghai CP Petrochemical and General Machinery Co., Ltd.	
Suzhou Douson Drilling & Production Equipment Co., Ltd.	

Zhangjiagang Haiguo New Energy Equipment Manufacturing Co., Ltd.	
Anhui Yingliu Electromechanical Co., Ltd.	
Daye Special Steel Co., Ltd., (Citic Specific Steel Group)	
Suzhou Fujie Machinery Co., Ltd., (Fujie Group)	
All Others	19.05

Germany	
Company	Subsidy Rate (percent)
BGH Edelstahl Siegen GmbH	5.86
Schmiedewerke Gröditz GmbH	6.71
voestalpine Bohler Group	14.81
All Others	6.29

India	
Company	Subsidy Rate (percent)
Bharat Forge Limited	5.20
All Others	5.20

Italy	
Company	Subsidy Rate (percent)
Lucchini Mame Forge S.p.A.	4.76

Metalcam S.p.A.	3.12
All Others	3.52
Companies Subject to AFA (non-respondent companies): Forge Mochieri S.p.A.; Imer International S.p.A.; Galperti Group, Mimest S.p.A.; P. Technologies S.r.L	44.86

Provisional Measures

Section 703(d) of the Act states that instructions issued pursuant to an affirmative preliminary determination may not remain in effect for more than four months. In the underlying investigations, Commerce published the *Preliminary Determinations* on May 26, 2020. As such, the four-month period beginning on the date of the publication of the *Preliminary Determinations* ended on September 22, 2020. Furthermore, section 707(b) of the Act states that definitive duties are to begin on the date of publication of the ITC's final injury determination.

Therefore, in accordance with section 703(d) of the Act, we instructed CBP to terminate the suspension of liquidation and to liquidate, without regard to countervailing duties, unliquidated entries of FEBs from China, Germany, India, and Italy, entered, or withdrawn from warehouse, for consumption, on or after September 23, 2020, the date on which the provisional measures expired, until and through the day preceding the date of publication of the ITC's final injury determinations in the *Federal Register*. Suspension of liquidation will resume on the date of publication of the ITC's final determinations in the *Federal Register*.

Notification to Interested Parties

This notice constitutes the countervailable duty (CVD) orders with respect to FEBs from China, Germany, India, and Italy, pursuant to section 706(a) of the Act. Interested parties can find a list of CVD orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

These orders are issued and published in accordance with section 706(a) of the Act and 19 CFR 351.211(b).

Dated: January 25, 2021.

Christian Marsh,

Acting Assistant Secretary

for Enforcement and Compliance.

APPENDIX

Scope of the Orders

The products covered by these orders 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 these orders, 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 these orders 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 these orders 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 these orders 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 these orders 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 these orders is dispositive.

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