



DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-872]

Finished Carbon Steel Flanges from India: Preliminary Results of Countervailing Duty Administrative Review; 2021

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

SUMMARY: The U.S. 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, 2021, through December 31, 2021. Interested parties are invited to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: James R. Hepburn or Preston N. Cox, 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) 482-1882 or (202) 482-5041, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 24, 2017, Commerce published in the *Federal Register* the countervailing duty order on finished carbon steel flanges from India.¹ On August 2, 2022, Commerce published a notice of opportunity to request an administrative review of the *Order*.² On August 31, 2022, Weldbend Corporation and Boltex Manufacturing Co., L.P. (collectively, the

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

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review and Join Annual Inquiry Service List*, 87 FR 47187, 47188 (August 2, 2022).

petitioners), requested a review of 41 producers and/or exporters of subject merchandise.³ Further, between August 18 and 31, 2022, Commerce received multiple requests, from Indian producers or exporters of flanges for an administrative review of the *Order* with respect to themselves.⁴ On October 11, 2022, Commerce published a notice of initiation of an administrative review of the *Order*.⁵ On November 3, 2022, Commerce selected Norma and RNG as mandatory respondents in this administrative review.⁶ On April 25, 2023, Commerce extended the time period for issuing these preliminary results to August 31, 2021, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act).⁷

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁸ A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix I 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 <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the *Order*

³ See Petitioners' Letter, "Request for Administrative Review," dated August 31, 2022.

⁴ See Munish Forge Private Limited's Letter, "Request for Counter Vailing Duty Administrative Review," dated August 18, 2022; *see also* Balkrishna Steel Forge Pvt. Ltd.'s Letter, "Request for Countervailing Duty Administrative Review of Balkrishna Steel Forge Pvt. Ltd. for the Period of January 01, 2021 to December 31, 2021," dated August 29, 2022; Cetus Engineering Private Limited's Letter, "Request for Countervailing Duty Administrative Review of Cetus Engineering Private Limited ("Cetus") for the Period of January 01, 2021 to December 31, 2021," dated August 29, 2022; Jai Auto Private Limited's Letter, "Request for Countervailing Duty Administrative Review of Jai Auto Pvt. Ltd for the Period of January 01, 2021 to December 31, 2021," dated August 27, 2022; Norma's Letter, "Request for Countervailing Duty Administrative Review for Norma (India) Limited, USK Export Private Limited, Umashanker Khandelwal and Co. and Bansidhar Chiranjilal.," dated August 29, 2022; RNG's Letter, "Request for Countervailing Duty Administrative Review," dated August 29, 2022; and Bebitz Flanges Works Private Limited's Letter, "Request for an Administrative Review," dated August 31, 2022.

⁵ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 87 FR 61278, 61286 (October 11, 2022).

⁶ See Memorandum, "Respondent Selection," dated November 3, 2022.

⁷ See Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review," dated April 25, 2023.

⁸ See Memorandum, "Decision Memorandum for the Preliminary Results of the 2021 Administrative Review of the Countervailing Duty Order on Finished Carbon Steel Flanges from India," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

The merchandise covered by the *Order* is finished carbon 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 Act. For each of the subsidy programs found to be 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.⁹ For a full description of the methodology underlying our conclusions, including our reliance on adverse facts available pursuant to sections 776(a) and (b) of the Act, see the Preliminary Decision Memorandum.

Companies Not Selected for Individual Review

The Act and Commerce's regulations do not directly address the subsidy rate 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 instructions for calculating the all-others rate in an investigation. Section 777A(e)(2) of the Act provides that "the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}." Section 705(c)(5)(A) states that for companies not investigated, in general, we will determine an all-others rate by weight averaging the countervailable subsidy rates established for each of the companies individually investigated, excluding zero and *de minimis* rates or any rates based solely on the facts available. Accordingly, to determine the rate for companies not selected for individual examination, Commerce's practice is to weight average the countervailable subsidy rates for the selected mandatory respondents, excluding rates that are zero, *de minimis*, or based entirely on facts

⁹ See sections 771(5)(B) and (D) of the Act regarding financial contribution; see also section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

available.

We preliminarily find that the rates for Norma and RNG were above *de minimis* and not based entirely on facts available. However, because publicly ranged sales values for all mandatory respondents are not on the record of this review, for these preliminary results, we are unable to weight average the subsidy rates of Norma and RNG to derive a rate for companies not selected for individual review. Therefore, we calculated a simple average of the subsidy rates calculated for Norma and RNG for application to the companies not selected for individual review. The companies for which a review was requested and that were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent are listed in Appendix II.

Preliminary Results of Review

As a result of this review, we preliminarily determine that the following net countervailable subsidy rates exist for the period January 1, 2021, through December 31, 2021:

Producer/Exporter	Subsidy Rate (percent <i>ad valorem</i>)
Norma (India) Ltd. ¹⁰	2.98
R.N. Gupta & Co. Ltd.	3.20
Non-Selected Companies Under Review ¹¹	3.09

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.¹²

Interested parties may submit case briefs no later than seven days after the date on which the

¹⁰ As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with Norma (India) Ltd.: USK Export Private Limited; Uma Shanker Khandelwal and Co.; and Bansidhar Chiranjilal. This rate applies to all cross-owned companies.

¹¹ See Appendix II for a list of companies not selected for individual examination.

¹² See 19 CFR 351.224(b).

verification reports are issued in this review.¹³ Rebuttal briefs, limited to issues raised in case briefs, may be filed no later than seven days after the deadline date for filing case briefs.¹⁴ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), 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.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, using Enforcement and Compliance's ACCESS system within 30 days of the publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants and whether any participant is a foreign national; and (3) a list of the issues to be discussed. Issues addressed during the hearing will be limited to those raised in the respective case and rebuttal briefs.¹⁵ If a request for a hearing is made, parties will be notified of the scheduled date and time. Parties should confirm 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 5:00 p.m. Eastern Time on the due date. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹⁶

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2), 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 any written briefs, no later than 120 days after the date of publication of these preliminary results.

Assessment Rates

¹³ See 19 CFR 351.309(c)(1)(ii)

¹⁴ See 19 CFR 351.309(d)(1); 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 19 CFR 351.310(c).

¹⁶ See *Temporary Rule*.

In accordance with 19 CFR 351.221(b)(4)(i), we are preliminarily assigning subsidy rates in the amounts shown above for the producers/exporters shown above. Upon completion of the administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

Pursuant to section 751(a)(1) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each company listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of final results of this administrative review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at its most recent company-specific or the non-selected companies rate, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

Verification

As provided in section 782(i)(3) of the Act, Commerce intends to verify information relied upon in arriving at the final results of this administrative review.

Notification to Interested Parties

These preliminary results of review are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213 and 351,221(b)(4).

Dated: August 10, 2023.

Lisa W. Wang,

Assistant Secretary for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Subsidies Valuation
- V. Benchmark Interest Rates and Discount Rates
- VI. Use of Facts Otherwise Available and Application of Adverse Inferences
- VII. Analysis of Programs
- VIII. Rate for Non-Examined Companies
- IX. Recommendation

Appendix II

Companies Not Selected for Individual Examination

1. Adinath International
2. Allena Group
3. Alloyed Steel
4. Balkrishna Steel Forge Pvt. Ltd.
5. Bebitz Flanges Works Private Limited
6. C. D. Industries
7. Cetus Engineering Private Limited
8. CHW Forge
9. CHW Forge Pvt. Ltd.
10. Citizen Metal Depot
11. Corum Flange
12. DN Forge Industries
13. Echjay Forgings Limited
14. Falcon Valves and Flanges Private Limited
15. Heubach International
16. Hindon Forge Pvt. Ltd.
17. Jai Auto Pvt. Ltd.
18. Kinnari Steel Corporation
19. M F Rings and Bearing Races Ltd.
20. Mascot Metal Manufacturers
21. Munish Forge Private Limited
22. OM Exports

23. Punjab Steel Works (PSW)
24. R.D. Forge
25. Raaj Sagar Steel
26. Ravi Ratan Metal Industries
27. Rolex Fittings India Pvt. Ltd.
28. Rollwell Forge Engineering Components and Flanges
29. Rollwell Forge Pvt. Ltd.
30. SHM (ShinHeung Machinery)
31. Siddhagiri Metal & Tubes
32. Sizer India
33. Steel Shape India
34. Sudhir Forgings Pvt. Ltd.
35. Tirupati Forge
36. Umashanker Khandelwal Forging Limited