



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-533-878]

### Stainless Steel Flanges from India: Preliminary Results of Countervailing Duty

#### Administrative Review and Partial Rescission of Review; 2021

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

**SUMMARY:** The U.S. Department of Commerce (Commerce) preliminarily finds that countervailable subsidies are being provided to producers and exporters of stainless steel flanges from India during the period of review, January 1, 2021, through December 31, 2021.

Additionally, Commerce is rescinding the review with respect to one company. Interested parties are invited to comment on these preliminary results.

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

**FOR FURTHER INFORMATION CONTACT:** Eliza DeLong, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3878.

#### SUPPLEMENTARY INFORMATION:

##### Background

On October 5, 2018, Commerce published the countervailing duty order on stainless steel flanges from India.<sup>1</sup> On December 5, 2022, Commerce published a notice of initiation of an administrative review of the *Order*.<sup>2</sup> On May 30, 2023, Commerce extended the time period for

<sup>1</sup> See *Stainless Steel Flanges from India: Countervailing Duty Order*, 83 FR 50336 (October 5, 2018) (*Order*).

<sup>2</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 87 FR 74404 (December 5, 2022), as corrected by *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 88 FR 7060 (February 2, 2023).

issuing these preliminary results by 120 days, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), to no later than October 31, 2023.<sup>3</sup>

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>4</sup> A list of topics discussed in the Preliminary Decision Memorandum is included as an appendix 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

The merchandise covered by the *Order* is stainless steel flanges from India. 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 countervailable, we preliminarily find that there is a subsidy, *i.e.*, a financial contribution that gives rise to a benefit to the recipient, and the subsidy is specific.<sup>5</sup> For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

#### Company 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

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<sup>3</sup> *See* Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review," dated May 30, 2023.

<sup>4</sup> *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review: Stainless Steel Flanges from India; 2021," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>5</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.

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) of the Act 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 net subsidy rates for the selected mandatory respondents, excluding rates that are zero, *de minimis*, or based entirely on facts available.<sup>6</sup> We preliminarily determine that Chandan Steel Limited (Chandan) and Pradeep Metals Limited (Pradeep) received countervailable subsidies that are above *de minimis* and are not based entirely on facts available. Therefore, we preliminarily determine to apply the weighted average of the net subsidy rates calculated for Chandan and Pradeep using publicly-ranged sales data submitted by those respondents to the non-selected company.<sup>7</sup> The company for which a review was requested, and which was not selected as a mandatory respondents or found to be cross-owned with a mandatory respondent, is BFN Forgings Private Limited.

#### Partial Rescission of Administrative Review

Commerce’s practice is to rescind an administrative review of a countervailing duty order, pursuant to 19 CFR 351.213(d)(1), when the interested party that requested a review withdraws the request within 90 days of publication of notice of initiation of the requested

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<sup>6</sup> See, e.g., *Certain Pasta from Italy: Final Results of the 13th (2008) Countervailing Duty Administrative Review*, 75 FR 37386, 37387 (June 29, 2010).

<sup>7</sup> See Memorandum, “Calculation of Subsidy Rate for Non-Selected Companies Under Review,” dated concurrently with this memorandum.

review. On March 3, 2023, we received a withdrawal request for Hilton Metal Forging Limited (Hilton).<sup>8</sup> Because no other party besides Hilton requested a review, we are rescinding this review pursuant to 19 CFR 351.213(d)(1) with respect to Hilton. For this company, Commerce intends to assess duties at rates equal to the cash deposits of estimated countervailing duties required at the time of entry, or withdrawn from warehouse, for consumption, during the POR, in accordance with 19 CFR 351.212(c)(2).

### Preliminary Results of Review

For the period January 1, 2021, through December 31, 2021, we preliminarily find that the following net subsidy rates exist:

<b>Producer/Exporter</b>	<b>Subsidy Rate (percent <i>ad valorem</i>)</b>
Chandan Steel Limited	2.60
Pradeep Metals Limited	4.04
Review-Specific Average Rate Applicable to the Following	
BFN Forgings Private Limited	2.82

### Disclosure and Public Comment

We will disclose to parties to this proceeding the calculations performed for these preliminary results within five days of the date of publication of these preliminary results in accordance with 19 CFR 351.224(b).<sup>9</sup>

Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs no later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.<sup>10</sup> Parties who submit case briefs or rebuttal briefs in this proceeding 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.<sup>11</sup> Case and rebuttal briefs should be filed using ACCESS<sup>12</sup> and must be served on

<sup>8</sup> See Hilton's Letter, "AD/CVD Review Request," dated March 3, 2023.

<sup>9</sup> See 19 CFR 351.224(b).

<sup>10</sup> See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

<sup>11</sup> See 19 CFR 351.309(c)(2) and (d)(2).

<sup>12</sup> See generally 19 CFR 351.303.

interested parties. Executive summaries should be limited to five pages total, including footnotes. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).<sup>13</sup>

Interested parties who wish to request a hearing must do so within 30 days of publication of these preliminary results by submitting a written request to the Assistant Secretary for Enforcement and Compliance using Enforcement and Compliance's ACCESS system.<sup>14</sup> Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs.<sup>15</sup> 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 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.

#### Assessment Rates

Consistent with section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries in accordance with the final results of this review. If the assessment rate calculated in the final results is zero or *de minimis*, we will instruct CBP to liquidate all appropriate entries without regard to countervailing duties. For the company for which this review is rescinded (*i.e.*, Hilton), Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for

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<sup>13</sup> See *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings; Final Rule*, 88 FR 67069 (September 29, 2023)

<sup>14</sup> See 19 CFR 351.310(c).

<sup>15</sup> See 19 CFR 351.310.

consumption, during the period January 1, 2021, through December 31, 2021, in accordance with 19 CFR 351.212(c)(1)(i).

Commerce intends 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)(2)(C) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review, except where the rate calculated in the final results is zero or *de minimis*, no cash deposit will be required. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties 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.

#### Final Results of Review

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.

#### Notification to Interested Parties

This administrative review and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213.

Dated: October 31, 2023.

**Lisa W. Wang,**  
*Assistant Secretary*  
*for Enforcement and Compliance.*

## Appendix

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

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Period of Review
- V. Rate for Non-Examined Companies
- VI. Subsidies Valuation Information
- VII. Benchmarks and Interest Rates
- VIII. Analysis of Programs
- IX. Recommendation

[FR Doc. 2023-24481 Filed: 11/3/2023 8:45 am; Publication Date: 11/6/2023]