



DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-877, A-570-064, C-533-878, C-570-065]

Stainless Steel Flanges from the People's Republic of China and India: Initiation and Preliminary Results of Changed Circumstances Reviews and Intent to Revoke the Antidumping and Countervailing Duty Orders, in Part

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

SUMMARY: Based on a request from Anchor Fluid Power (Anchor), the U.S. Department of Commerce (Commerce) is initiating and issuing preliminary results of changed circumstances reviews (CCRs) of the antidumping duty and countervailing duty orders on stainless steel flanges from the People's Republic of China (China) and India to revoke the orders, in part, with respect to certain products. Interested parties are invited to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Sun Cho, 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) 482-3004.

SUPPLEMENTARY INFORMATION:

Background

In 2018, Commerce published the antidumping and countervailing duty orders on stainless steel flanges from China and India.¹ On February 2, 2024, Anchor, an importer of

¹ See *Stainless Steel Flanges from the People's Republic of China: Countervailing Duty Order*, 83 FR 26006 (June 5, 2018); *Stainless Steel Flanges from the People's Republic of China: Antidumping Duty Order*, 83 FR 37468 (August 1, 2018); *Stainless Steel Flanges from India: Antidumping Duty Order*, 83 FR 50639 (October 9, 2018); and *Stainless Steel Flanges from India: Countervailing Duty Order*, 83 FR 50336 (October 5, 2018) (collectively, *Orders*).

stainless steel flanges, requested, through CCRs, that Commerce retroactively revoke the *Orders*, in part, pursuant to section 751(b)(1)(A) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216(b) with respect to certain products.² Anchor stated that it qualifies as an importer of stainless steel flanges currently subject to duties and, as such, is an interested party pursuant to section 771(9)(A) of the Act and 19 CFR 351.102(b)(29)(ii).³

On March 1, 2024, Commerce requested that Anchor provide supplemental information related to its CCR Request. Anchor timely responded to this supplemental questionnaire on March 11, 2024.⁴ Within Anchor's CCR Request and CCR Supplement, Anchor provided statements from members of the petitioning coalition or their representatives, including Core Pipe Products, Inc.; Kerkau Manufacturing; and Ameriforge LLC, indicating that they either were not interested in participating in the CCRs or were not contesting Anchor's proposal.⁵ Furthermore, Anchor demonstrates that Core Pipe Products, Inc.; Kerkau Manufacturing; and Ameriforge LLC represent substantially all of the production of the domestic like product.⁶ No interested parties filed comments opposing the CCR Request. Further, Anchor requested that Commerce conduct expedited CCRs.⁷

Scope of the *Orders*

The scope of the *Orders* covers certain forged stainless steel flanges, whether unfinished, semi-finished, or finished (certain forged stainless steel flanges). Certain forged stainless steel flanges are generally manufactured to, but not limited to, the material specification of ASTM/ASME A/SA182 or comparable domestic or foreign specifications. Certain forged stainless steel flanges are made in various grades such as, but not limited to, 304, 304L, 316, and 316L (or combinations thereof). The term "stainless steel" used in this scope refers to an alloy

² See Anchor's Letter, "Request for an Expedited Changed Circumstances Review to Amend the Scope of the *Orders*," dated February 2, 2024 (CCR Request).

³ *Id.* at 2.

⁴ See Anchor's Letter, "Anchor Response to First Supplemental Questionnaire," dated March 11, 2024 (CCR Supplement).

⁵ *Id.* at Attachment A.

⁶ *Id.* at 3-4.

⁷ See CCR Request at 6.

steel containing, by actual weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. Unfinished stainless steel flanges possess the approximate shape of finished stainless steel flanges and have not yet been machined to final specification after the initial forging or like operations. These machining processes may include, but are not limited to, boring, facing, spot facing, drilling, tapering, threading, beveling, heating, or compressing. Semi-finished stainless steel flanges are unfinished stainless steel flanges that have undergone some machining processes.

The scope includes six general types of flanges. They are: (1) weld neck, generally used in butt-weld line connection; (2) threaded, generally used for threaded line connections; (3) slip-on, generally used to slide over pipe; (4) lap joint, generally used with stub-ends/butt-weld line connections; (5) socket weld, generally used to fit pipe into a machine recession; and (6) blind, generally used to seal off a line. The sizes and descriptions of the flanges within the scope include all pressure classes of ASME B16.5 and range from one-half inch to twenty-four inches nominal pipe size. Specifically excluded from the scope of the *Orders* are cast stainless steel flanges. Cast stainless steel flanges generally are manufactured to specification ASTM A351.

The country of origin for certain forged stainless steel flanges, whether unfinished, semi-finished, or finished is the country where the flange was forged. Subject merchandise includes stainless steel flanges as defined above that have been further processed in a third country. The processing includes, but is not limited to, boring, facing, spot facing, drilling, tapering, threading, beveling, heating, or compressing, and/or any other processing that would not otherwise remove the merchandise from the scope of the *Orders* if performed in the country of manufacture of the stainless steel flanges.

Merchandise subject to the *Orders* is typically imported under headings 7307.21.1000 and 7307.21.5000 of the Harmonized Tariff Schedule of the United States (HTSUS). While HTSUS subheadings and ASTM specifications are provided for convenience and customs purposes, the written description of the scope is dispositive.

Proposed Partial Revocation of the *Orders*

The products subject to the proposed partial revocation are certain stainless steel flanges produced in accordance with specification SAE J518. Anchor noted that SAE J518 has one and only one international equivalent standard, ISO 6162, and that it is not possible for flanges produced in accordance with SAE J518 to be certified under another standard other than the international equivalent standard ISO 6162.⁸ Anchor also noted that SAE J518 flanges cannot be dual-certified with standards covering other stainless steel flanges covered by the scope of the *Orders* and that the flanges produced to the specification SAE J518 have unique physical characteristics that distinguish them from other stainless steel flanges subject to the *Orders* such that no ambiguity will be created by this exclusion.⁹ Anchor specifically requests that the scope of the *Orders* be amended to include the following exclusion: The scope also excludes stainless steel flanges produced in accordance with specification SAE J518 (or its international equivalent, ISO 6162).

Initiation of CCRs

Pursuant to section 751(b)(1) of the Act, Commerce will conduct a CCR upon receipt of a request from an interested party that shows changed circumstances sufficient to warrant a review of the order. In accordance with 19 CFR 351.216(d), Commerce determines that the information submitted by Anchor, along with substantially all of the domestic industry's support, shows changed circumstances sufficient to warrant a review of the *Orders*.

Section 782(h)(2) of the Act and 19 CFR 351.222(g)(1)(i) provide that Commerce may revoke an order (in whole or in part) if it determines that producers accounting for substantially all of the production of the domestic like product have expressed a lack of interest in the order, in whole or in part. In its administrative practice, Commerce has interpreted "substantially all" to

⁸ *Id.*

⁹ *Id.*

mean producers accounting for at least 85 percent of the total U.S. production of the domestic like product covered by the order.¹⁰

Preliminary Results of the CCRs and Intent to Revoke the *Orders*, in Part

Section 351.221(c)(3)(ii) of Commerce's regulations permits Commerce to combine the notice of initiation of a CCR and the notice of preliminary results if Commerce concludes that expedited action is warranted.¹¹ In this instance, because the record contains information necessary to make a preliminary finding, we find that expedited action is warranted and have combined the notice of initiation and the notice of preliminary results.¹²

Pursuant to section 751(d)(1) of the Act, and 19 CFR 351.222(g), Commerce may revoke an antidumping or countervailing duty order, in whole or in part, based on a review under section 751(b) of the Act (*i.e.*, a CCR). Section 751(b)(1) of the Act requires a CCR to be conducted upon receipt of a request which shows changed circumstances sufficient to warrant a review. Section 782(h)(2) of the Act gives Commerce the authority to revoke an order if producers accounting for substantially all of the production of the domestic like product have expressed a lack of interest in the order. Section 351.222(g) of Commerce's regulations provides that Commerce will conduct a CCR of an antidumping or countervailing duty order under 19 CFR 351.216, and may revoke an order (in whole or in part), if it concludes that: (i) producers accounting for substantially all of the production of the domestic like product to which the order pertains have expressed a lack of interest in the relief provided by the order, in whole or in part; or (ii) if other changed circumstances sufficient to warrant revocation exist. Thus, both the Act and Commerce's regulations require that "substantially all" domestic producers express a lack of

¹⁰ See, e.g., *Certain Cased Pencils from the People's Republic of China: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review, and Intent to Revoke Order in Part*, 77 FR 42276 (July 18, 2012), unchanged in *Certain Cased Pencils from the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review, and Determination to Revoke Order, in Part*, 77 FR 53176 (August 31, 2012).

¹¹ See 19 CFR 351.221(c)(3)(ii); see also *Certain Pasta from Italy: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 80 FR 33480, 33480-41 (June 12, 2015) (*Pasta from Italy Preliminary Results*), unchanged in *Certain Pasta from Italy: Final Results of Changed Circumstances Review*, 80 FR 48807 (August 14, 2015) (*Pasta from Italy Final Results*).

¹² See, e.g., *Pasta from Italy Preliminary Results*, 80 FR at 33480-41, unchanged in *Pasta from Italy Final Results*, 80 FR at 48807.

interest in the order for Commerce to revoke the order, in whole or in part.¹³ In its administrative practice, Commerce has interpreted “substantially all” to represent producers accounting for at least 85 percent of U.S. production of the domestic like product.¹⁴

As explained above, domestic stainless steel flanges producers accounting for greater than 85 percent of the domestic industry, including the original petitioners and one other domestic stainless steel flanges producer, have expressed no interest in opposing Anchor’s CCR Request.¹⁵ Substantially all of the domestic industry appears to have no interest in maintaining the *Orders* with respect to the specific products which are the subject of Anchor’s request.¹⁶ The domestic industry has not commented on whether the proposed scope exclusion language should be retroactive.

In light of the domestic producers’ statements of no interest in opposing the revocation of the *Orders*, in part, with respect to the stainless steel flanges as described by Anchor, and in the absence of any other interested party comments addressing the issue of domestic industry support, we preliminarily conclude that producers accounting for substantially all of the production of the domestic like product to which the *Orders* pertain lack interest in the relief provided by the *Orders* with respect to stainless steel flanges that are the subject of Anchor’s revocation request. Thus, we preliminarily determine that changed circumstances warrant revocation of the *Orders*, in part, with respect to such stainless steel flanges as described by Anchor. Accordingly, we are notifying the public of our intent to revoke the *Orders*, in part, with respect to stainless steel flanges described in the “Proposed Partial Revocation of the *Orders*” section above. This revocation is limited solely to those flanges produced to

¹³ See section 782(h) of the Act; and 19 CFR 351.222(g).

¹⁴ See, e.g., *Honey from Argentina: Antidumping and Countervailing Duty Changed Circumstances Reviews; Preliminary Intent to Revoke Antidumping and Countervailing Duty Orders*, 77 FR 67790, 67791 (November 14, 2012), unchanged in *Honey from Argentina: Final Results of Antidumping and Countervailing Duty Changed Circumstances Reviews; Revocation of Antidumping and Countervailing Duty Orders*, 77 FR 77029 (December 31, 2012).

¹⁵ See CCR Supplement at Attachment A-1, A-2, and A-3.

¹⁶ *Id.*

specification SAE J518 (or its international equivalent, ISO 6162), and not to any other specification.

Additionally, Anchor requested that Commerce find this scope exclusion applies retroactively; however, it did not provide a date as to which it believes this scope exclusion should retroactively apply. If we make a final determination to revoke the *Orders* in part, then we intend to apply the partial revocation to unliquidated entries of merchandise subject to the CCRs that were entered or withdrawn from warehouse, for consumption, on or after the day following the last day of the period covered by the most recently completed administrative review of each of the *Orders*, and are not already subject to automatic liquidation instructions.

Public Comment

In accordance with 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 14 days after the date of publication of this notice.¹⁷ Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than five days after the due date for case briefs.¹⁸

As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings we have encouraged interested parties to provide an executive summary of their brief that should be limited to five pages total, including footnotes. In these CCRs, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹⁹ Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the Issues and Decision Memorandum that will accompany the final results in these CCRs. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that

¹⁷ Commerce is exercising its discretion under 19 CFR 351.309(c)(1)(ii) to alter the time limit for the filing of case briefs.

¹⁸ See 19 CFR 351.309(d); see also *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Final Rule*).

¹⁹ We use the term “issue” here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).²⁰ An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the day on which it is due.

Pursuant to 19 CFR 351.310(c), any interested party may request a hearing within 14 days of publication of this notice in the *Federal Register*.²¹ Hearing requests should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs.²² 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 the time of the hearing two days before the scheduled date.

Final Results of Reviews

Unless extended, consistent with 19 CFR 351.216(e), Commerce intends to issue the final results of these CCRs no later than 270 days after the date on which these reviews were initiated or 45 days if all parties agree to the outcome of the reviews. If, in the final results of these reviews, Commerce continues to determine that changed circumstances warrant the revocation of the *Orders*, in part, we will instruct U.S. Customs and Border Protection (CBP) to liquidate without regard to antidumping or countervailing duties, and to refund any estimated antidumping and countervailing duties deposited on all unliquidated entries of the merchandise covered by the revocation that are not covered by the final results of an administrative review or an automatic liquidation instruction to CBP. The current requirement for cash deposits of estimated antidumping or countervailing duties on all entries of subject merchandise will continue unless they are modified pursuant to the final results of these changed CCRs.

²⁰ See *APO and Service Final Rule*.

²¹ Commerce is exercising its discretion under 19 CFR 351.310(c) to alter the time limit for requesting a hearing.

²² See 19 CFR 351.310(c).

Notification to Interested Parties

This initiation notice and preliminary results are published in accordance with section 751(b)(1) of the Act, 19 CFR 351.216(b)(1) and 19 CFR 351.222 (c)(3)(ii).

Dated: March 22, 2024.

Ryan Majerus,

Deputy Assistant Secretary

for Policy and Negotiations,

performing the non-exclusive functions and duties

of the Assistant Secretary for Enforcement and Compliance.

[FR Doc. 2024-06684 Filed: 3/28/2024 8:45 am; Publication Date: 3/29/2024]