

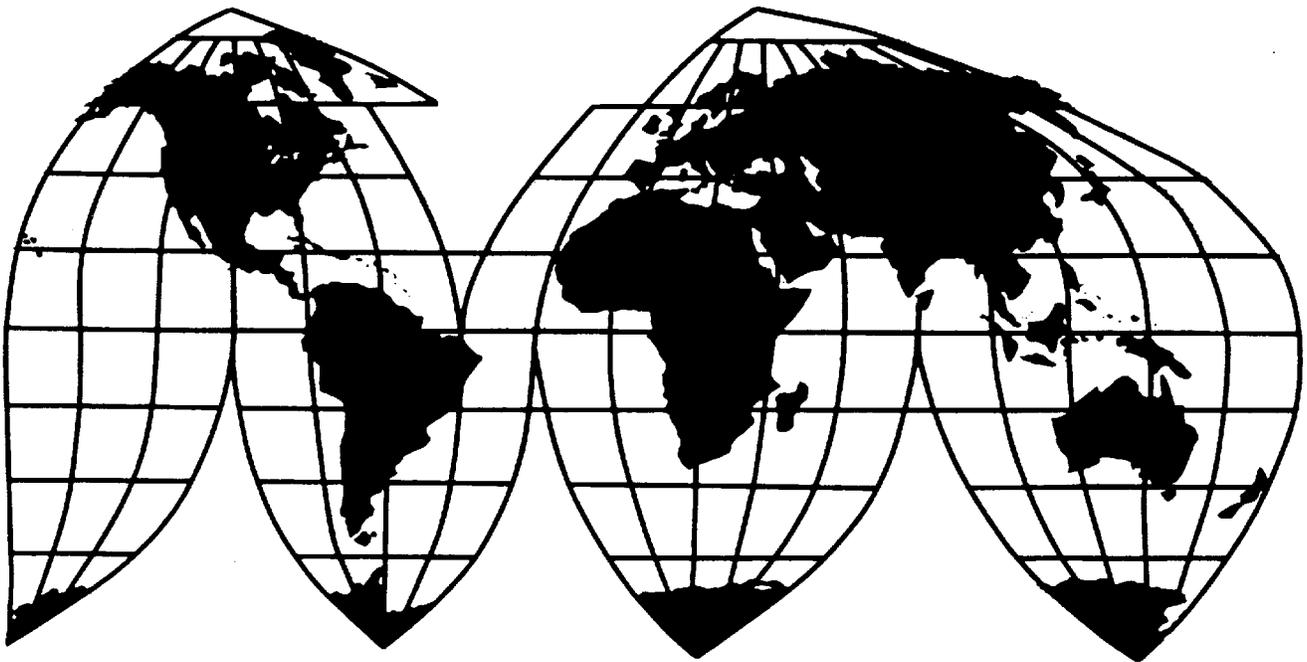
# Forged Stainless Steel Flanges From India and Taiwan

Investigation Nos. 731-TA-639 and 640 (Second Review)

Publication 3827

December 2005

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.



# UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 731-TA-639 and 640 (Second Review)

## FORGED STAINLESS STEEL FLANGES FROM INDIA AND TAIWAN

### DETERMINATIONS

On the basis of the record<sup>1</sup> developed in the subject five-year reviews, the United States International Trade Commission (Commission) determines,<sup>2</sup> pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the antidumping duty orders on forged stainless steel flanges from India and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### BACKGROUND

The Commission instituted these reviews on July 1, 2005 (70 F.R. 38195) and determined on October 4, 2005, that it would conduct expedited reviews (70 F.R. 60558, October 18, 2005).

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<sup>1</sup> The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(f)).

<sup>2</sup> Commissioner Daniel R. Pearson dissenting with respect to forged stainless steel flanges from Taiwan.



## VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty orders on forged stainless steel flanges from India and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>1</sup>

### I. BACKGROUND

In February 1994, the Commission determined that an industry in the United States was threatened with material injury by reason of imports of stainless steel flanges from India and Taiwan that the Department of Commerce (“Commerce”) had determined to be sold in the United States at less than fair value.<sup>2</sup> In February 1994, Commerce issued antidumping duty orders on stainless steel flanges from India<sup>3</sup> and Taiwan.<sup>4</sup>

On December 1, 1999, the Commission instituted the first five-year reviews pursuant to section 751(c) of the Act to determine whether revocation of the antidumping duty orders on stainless steel flanges from India and Taiwan would likely lead to continuation or recurrence of material injury.<sup>5</sup> On March 3, 2000, the Commission voted to conduct expedited reviews in both subject five-year reviews involving stainless steel flanges.<sup>6</sup> In July 2000, the Commission determined that revocation of the antidumping duty orders on stainless steel flanges from India and Taiwan would be likely to lead a continuation or recurrence of material injury within a reasonably foreseeable time.<sup>7</sup>

The Commission instituted the present reviews on July 1, 2005.<sup>8</sup> The Commission received one submission filed on behalf of domestic producers Gerlin, Inc., (“Gerlin”) and Maass Flange Corp. (“Maass”). The Commission did not receive a response from any respondent interested party in the reviews concerning imports from India and Taiwan. The Commission determined that the domestic interested party response was adequate in each of these reviews, and that the respondent interested party response was inadequate in each of these reviews. Because the Commission determined that there were

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<sup>1</sup> Commissioner Daniel R. Pearson dissents with respect to the antidumping duty order on subject imports from Taiwan. He joins sections I (Background), II (Domestic Like Product and Industry), and IV. B (Conditions of Competition) of the Commission’s Opinion. See Separate and Dissenting Views of Commissioner Daniel R. Pearson.

<sup>2</sup> Stainless Steel Flanges From India and Taiwan, Inv. Nos. 731-TA-639 and 640 (Final), USITC Pub. 2724 (February 1994) (“Original Determination”) at I-3. The Commission further determined that it would not have found material injury but for the suspension of liquidation of entries of the subject merchandise. Id. The Commission indicated that it based its threat analysis on factors that included “the rapid increase in subject imports, falling U.S. prices and consistent underselling by highly substitutable LFTV imports, substantially increasing inventories in the United States of subject imports, and underutilized capacity in the subject countries.” Id. at I-20.

<sup>3</sup> 59 Fed. Reg. 5994 (Feb. 9, 1994).

<sup>4</sup> 59 Fed. Reg. 5995 (Feb. 9, 1994).

<sup>5</sup> 64 Fed. Reg. 67313 (December 1, 1999).

<sup>6</sup> Confidential Staff Report (“CR”) at I-5/Public Report (“PR”) at I-4 .

<sup>7</sup> Forged Stainless Steel Flanges From India and Taiwan, Inv. Nos. 731-TA-639 and 640 (Review), USITC Pub. 3329 (July 2000) (“First Review Determination”) at I.

<sup>8</sup> 70 Fed. Reg. 38195 (July 1, 2005).

no other circumstances warranting a full review, it unanimously determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act.<sup>9 10</sup>

Stainless steel flanges were within the scope of the Commission's global safeguard investigation of steel products, Inv. No. TA-201-73.<sup>11</sup> On December 20, 2001, the Commission issued its determinations and remedy recommendations in that investigation. The Commission was equally divided with respect to whether imports of stainless steel flanges and related stainless steel pipe devices were a substantial cause of serious injury to the domestic industry.<sup>12</sup> The President accepted the negative determinations of Vice Chairman Okun and Commissioners Hillman and Miller as the Commission's determination and as a result, no safeguard measure was imposed on imports of stainless steel flanges.<sup>13</sup>

## II. DOMESTIC LIKE PRODUCT AND INDUSTRY

### A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the "domestic like product" and the "industry."<sup>14</sup> The Act defines the "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."<sup>15</sup>

In its second five-year review determination, Commerce defined the subject merchandise as: Certain forged stainless steel flanges, both finished and not finished, generally manufactured to specification ASTM A-182, and made in alloys such as 304, 304L, 316, and 316L. The scope includes five general types of flanges. They are weld neck, used for butt-weld line connection; threaded, used for threaded line connections; slip-on and lap joint, used with stub-ends/butt-weld line connections; socket weld, used to fit pipe into a machine recession; and blind, used to seal off a line. The sizes of the flanges within the scope generally range from one to six inches; however, all sizes of the above-described merchandise are included in the scope. Specifically excluded from the scope of these orders are cast stainless steel flanges. Cast stainless steel flanges generally are manufactured to specification ASTM A-351.<sup>16</sup>

In its original determinations, the Commission defined the domestic like product as stainless steel flanges coextensive with Commerce's scope.<sup>17</sup> In so doing, the Commission determined that finished flanges and unfinished flanges were not separate domestic like products. Applying the semi-finished product analysis, the Commission concluded that the two forms of flanges were one like product since the

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<sup>9</sup> 19 U.S.C. § 1675(c)(3).

<sup>10</sup> 70 Fed. Reg. 60558 (Oct. 18, 2005); see also Explanation of Determination on Adequacy, CR/PR at Appendix B.

<sup>11</sup> 66 Fed. Reg. 44158 (Aug. 22, 2001).

<sup>12</sup> 66 Fed. Reg. 67304 (Dec. 28, 2001).

<sup>13</sup> Id.

<sup>14</sup> 19 U.S.C. § 1677(4)(A).

<sup>15</sup> 19 U.S.C. § 1677(10). See *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>16</sup> 70 Fed. Reg. 67137 (Nov. 4 2005).

<sup>17</sup> Original Determination at I-8.

unfinished flange imparts essential characteristics to the finished flange and is dedicated to the use of the finished flange, and there was no independent end-use market for unfinished flanges.<sup>18</sup>

In its first five-year reviews, the Commission again defined the domestic like product as stainless steel flanges, coextensive with Commerce's scope. In so doing, the Commission noted that none of the parties disagreed with the Commission's original domestic like product definition and that no new information had been obtained during the first five-year reviews that would suggest that it should change its domestic like product definition.<sup>19</sup>

In these second reviews, domestic producers indicated in their response to the notice of institution that they agreed with the Commission's prior definition of the domestic like product. There is no information in the record that would warrant a re-examination of the like product definition. We therefore define the domestic like product to be stainless steel flanges, co-extensive with Commerce's scope.

## **B. Domestic Industry**

Section 771(4)(A) of the Act defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."<sup>20</sup>

Section 771(4)(A) of the Act defines the relevant industry as the "domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product."<sup>21</sup> We define the domestic industry as the Commission did in the original investigations, to include all domestic producers of stainless steel flanges.<sup>22</sup> The domestic industry currently consists of integrated producers and converters.<sup>23</sup>

The only issue that arises in these second reviews with respect to the Commission's definition of the domestic industry is whether one of the domestic producers should be excluded under the related parties provision, 19 U.S.C. § 1677(4)(B). Section 771(4)(B) of the Act allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise, or which are themselves importers.<sup>24</sup> The Commission has

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<sup>18</sup> Original Determination at I-6.

<sup>19</sup> First Review Determination at 8.

<sup>20</sup> 19 U.S.C. § 1677(4)(A). In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States. See United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int'l Trade 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996).

<sup>21</sup> 19 U.S.C. § 1677(4)(A).

<sup>22</sup> During the original investigations, the domestic manufacturing sector consisted of both integrated producers (forgers/finishers) and converters. CR at I-16-I-17; PR at I-13-I-14. As the Commission observed in the Original Determination, forgers/finishers begin with stainless steel bar as their raw material and perform forging, machining, and finishing operations. Converters purchase flange forgings and perform machining and finishing operations. Original Determination at 8. As at the time of the original investigations, the domestic industry currently consists of both integrated producers and converters. CR at I-17/PR at I-14.

<sup>23</sup> CR at I-26-I-28/PR at I-21.

<sup>24</sup> The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include:

- (1) the percentage of domestic production attributable to the importing producer;

(continued...)

also concluded that a domestic producer that does not itself import subject merchandise, or does not share a corporate affiliation with an importer, may nonetheless be deemed a related party if it controls large volumes of imports. The Commission has found such control to exist where the domestic producer was responsible for a predominant proportion of an importer's purchases and the importer's purchases were substantial.<sup>25</sup> The record indicates that Maass imported the subject product during the second period of review and therefore falls within the definition of related party.<sup>26</sup> The question then is whether Maass should be excluded from the domestic industry.

Given the expedited nature of these reviews, the record is limited regarding the factors that the Commission generally considers in determining whether to exclude a domestic producer. Maass is currently the \*\*\* producer of domestic stainless steel flanges, accounting for \*\*\* percent of total industry production in 2004.<sup>27</sup> Although the domestic interested parties indicate that Maass "has on occasion imported relatively small quantities" of the subject merchandise, they did not provide any information regarding the timing or volume of such imports.<sup>28</sup> While this statement by domestic producers suggests that Maass's imports represent a small percentage of its production of the domestic product, the exact percentage is not known. Moreover, it is unclear if or to what extent Maass benefitted from its importation of subject imports because there is no information in the record regarding Maass's financial operations during the second period of review.

Nevertheless, given Maass's \*\*\* U.S. production, the indication that Maass imported only "small" amounts of subject imports during the period of review and the fact that no party urges its exclusion from the industry, we find that appropriate circumstances do not exist to exclude Maass from the domestic industry pursuant to the related parties provision.

### III. CUMULATION

#### A. Framework

Section 752(a) of the Act provides that:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the

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<sup>24</sup> (...continued)

(2) the reason the U.S. producer has decided to import the product subject to investigation, i.e., whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and

(3) the position of the related producer vis-a-vis the rest of the industry, i.e., whether inclusion or exclusion of the related party will skew the data for the rest of the industry.

See, e.g., See, e.g., Allied Mineral Products v. United States, Slip Op. 04-134 (Ct. Int'l Trade Nov. 2, 2004) at 9; Torrington Co. v. United States, 790 F. Supp. 1161 (Ct. Int'l Trade 1992), aff'd without opinion, 991 F.2d 809 (Fed. Cir. 1993).

<sup>25</sup> See, e.g., Foundry Coke from China, Inv. No. 731-TA-891 (Final), USITC Pub. 3449 (September 2001) at 8-9.

<sup>26</sup> CR at I-28 and n.101/PR at I-21 and n.101.

<sup>27</sup> CR at I-27/PR at I-20.

<sup>28</sup> Domestic Interested Parties Response at 9-10.

subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.<sup>29</sup>

Thus, cumulation is discretionary in five-year reviews. However, the Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.<sup>30</sup> We note that neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.<sup>31</sup> With respect to this provision, the Commission generally considers the likely volume of the subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.<sup>32</sup>

In these reviews, the statutory requirement for cumulation that all reviews be initiated on the same day is satisfied as Commerce initiated both reviews on July 1, 2005.<sup>33</sup>

The Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product.<sup>34</sup> Only a “reasonable overlap” of competition is required.<sup>35</sup> In five-year reviews, the relevant inquiry is whether there likely would be a reasonable overlap of competition even if none currently exists. Moreover, because of the prospective nature of five-year reviews, we have examined not only the Commission’s traditional competition factors, but also other significant conditions of competition that are likely to

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<sup>29</sup> 19 U.S.C. § 1675a(a)(7).

<sup>30</sup> 19 U.S.C. § 1675a(a)(7).

<sup>31</sup> SAA, H.R. Rep. No. 103-316, vol. I (1994).

<sup>32</sup> For a discussion of the analytical framework of Chairman Koplan and Commissioner Hillman regarding the application of the “no discernible adverse impact” provision, see Malleable Cast Iron Pipe Fittings from Brazil, Japan, Korea, Taiwan, and Thailand, Inv. Nos. 731-TA-278-280 (Review) and 731-TA-347-348 (Review), USITC Pub. 3274 (Feb. 2000). For a further discussion of Chairman Koplan’s analytical framework, see Iron Metal Construction Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China, Inv. Nos. 303-TA-13 (Review); 701-TA-249 (Review); and 731-TA-262, 263, and 265 (Review), USITC Pub. 3247 (Oct. 1999) (Views of Commissioner Stephen Koplan Regarding Cumulation).

<sup>33</sup> 70 Fed. Reg. 38101.

<sup>34</sup> The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are simultaneously present in the market. See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (CIT 1989).

<sup>35</sup> See Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (CIT 1996); Wieland Werke, AG, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); United States Steel Group v. United States, 873 F. Supp. 673, 685 (CIT 1994), aff’d, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. See, e.g., Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 (Preliminary) and 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), aff’d sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States, 74 F. Supp.2d 1353 (CIT 1999); Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-761-762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

prevail if the orders under review are terminated. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.<sup>36</sup>

## **B. Likelihood of No Discernible Adverse Impact**

No respondent interested party in either review responded to the Commission's notice of institution. The record thus contains limited information with respect to the stainless steel flange industry in those countries. Accordingly, we rely upon available information when appropriate.<sup>37</sup>

### **1. India**

In the original investigations, the volume of subject imports from India increased from 1.0 million pounds in 1990 to 3.0 million pounds in 1991 and to 5.1 million pounds in 1992. The volume of subject imports from India reached 5.3 million pounds in 1993.<sup>38</sup> Immediately after the imposition of the order in 1994, however, subject imports from India declined sharply.<sup>39</sup> In 1995, subject imports from India dropped to a record low of 499,000 pounds.<sup>40</sup> Between 1995 and 2004, subject imports from India increased overall.<sup>41</sup> In the second period of review, subject imports from India were 2.3 million pounds in 2000, 2.2 million pounds in 2001, 2.9 million pounds in 2002, 3.3 million pounds in 2003, and 5.7 million pounds in 2004.

According to the domestic interested parties, "the Indian industry has greatly increased its ability to produce and export stainless flanges since the previous sunset review. . . ."<sup>42</sup> During the original investigations, the petition identified 14 manufacturing firms in India that produced and/or exported stainless steel flanges. Commerce published separate dumping margins for five of these firms. Two of these firms, Mukand and Akai Impex, accounted for almost all of the subject merchandise exported from India during the original investigations.<sup>43</sup> According to the information provided by domestic interested parties, there are 23 firms in India that currently export or have exported subject merchandise to the

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<sup>36</sup> See, e.g., Torrington Co. v. United States, 790 F. Supp. at 1172 (affirming Commission's determination not to cumulate for purposes of threat analysis when pricing and volume trends among subject countries were not uniform and import penetration was extremely low for most of the subject countries); Metallwerken Nederland B.V. v. United States, 728 F. Supp. 730, 741-42 (CIT 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (CIT 1988).

<sup>37</sup> Section 776 of the Act authorizes the Commission to "use the facts otherwise available" in reaching a determination when: (1) necessary information is not available on the record or (2) an interested party or other person withholds information requested by the agency, fails to provide such information in the time, form, or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782(I) of the Act. 19 U.S.C. § 1677e(a). The verification requirements in section 782(I) are applicable only to Commerce. 19 U.S.C. § 1677m(I). See Titanium Metals Corp., 155 F. Supp. 2d at 765 ("the ITC correctly responds that Congress has not required the Commission to conduct verification procedures for the evidence before it, or provided a minimum standard by which to measure the thoroughness of a Commission investigation.").

<sup>38</sup> CR/PR at Table I-5.

<sup>39</sup> CR/PR at Table I-5.

<sup>40</sup> CR/PR at Table I-5.

<sup>41</sup> CR/PR at Table I-5.

<sup>42</sup> Domestic Interested Parties Response at 5.

<sup>43</sup> CR at I-53/PR at I-42.

United States or other countries since 1998, including Akai Impex and Mukand.<sup>44</sup> Commerce has conducted new shipper reviews for 11 additional Indian firms since the original investigations.<sup>45</sup>

There is little information in the record pertaining to the Indian industry's production capacity for stainless steel flanges subsequent to the original investigations, but its current exports are substantial. The *World Trade Atlas* indicates that Indian exports of stainless steel flanges have increased from 9 million pounds in 1999 to over 45 million pounds in 2004.<sup>46</sup> Indian subject merchandise exported to the United States accounted for 41.3 percent of total Indian exports of stainless steel flanges in 2004.<sup>47</sup>

In light of the prevailing conditions of competition in the U.S. market, including the fungible nature of the product and price insensitivity of the market (discussed below in conditions of competition), we do not find that subject imports from India, with their history of increases in volume and underselling of the domestic like product, along with evidence of substantial capacity and export orientation, would likely have no discernible adverse impact if the order was revoked.

## 2. Taiwan

In the original investigations, the volume of subject imports from Taiwan increased from 818,000 pounds in 1990 to 1.2 million pounds in 1991, and to 1.3 million pounds in 1992.<sup>48</sup> The volume of subject imports from Taiwan reached 1.4 million pounds in 1993.<sup>49</sup> Almost immediately after the imposition of orders in February 1994, subject imports declined sharply and have remained below the volume levels of the original investigations.<sup>50</sup> During the second period of review, subject imports from Taiwan totaled 331,000 pounds in 2000, 344,000 pounds in 2001, 329,000 pounds in 2002, 244,000 pounds in 2003, and 388,000 pounds in 2004.<sup>51</sup>

In the original investigations, the Commission identified six firms in Taiwan that produced and/or exported subject merchandise to the United States.<sup>52</sup> In December 1993, Commerce published separate dumping margins for three Taiwan firms; Enlin, Ta Chen, and Tay Precision.<sup>53</sup> According to the domestic interested parties, two firms, Enlin and Ta Chen, currently export or have exported subject merchandise to the United States.<sup>54</sup>

In the original investigations, the Commission received data from only one Taiwan producer of the subject merchandise, Enlin.<sup>55</sup> Enlin's reported production capacity for stainless steel flanges was \*\*\* pounds in 1990, and \*\*\* pounds in 1991 and 1992.<sup>56</sup> Enlin also reported capacity utilization rates of \*\*\*

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<sup>44</sup> Domestic Interested Parties Response at Ex. 6.

<sup>45</sup> CR at I-55/PR at I-42.

<sup>46</sup> CR/PR at Table I-11.

<sup>47</sup> CR at I-55/PR at I-42.

<sup>48</sup> CR/PR at Table I-5.

<sup>49</sup> CR/PR at Table I-5.

<sup>50</sup> CR/PR at Table I-5.

<sup>51</sup> CR/PR at Table I-5.

<sup>52</sup> CR at I-56/PR at I-44.

<sup>53</sup> CR at I-56/PR at I-44.

<sup>54</sup> CR at I-56 and 58/PR at I-44.

<sup>55</sup> CR at I-56/PR at I-44.

<sup>56</sup> CR/PR at Table I-12.

percent in 1990, \*\*\* percent in 1991, and \*\*\* percent in 1992.<sup>57</sup> Enlin further indicated that \*\*\* of stainless steel flanges were to \*\*\*.<sup>58</sup> In 1992, \*\*\* percent of Enlin's exports were to \*\*\*.<sup>59</sup>

As was the case with India, there is little information regarding Taiwan's capacity to produce stainless steel flanges for the periods after the original investigations. During the original investigations, it was reported that the industry in Taiwan had become relatively modernized and capital intensive.<sup>60</sup>

According to the *World Trade Atlas*, exports of subject stainless steel flanges from Taiwan to all markets totaled 3.4 million pounds in 1999.<sup>61</sup> In 1999, only 0.5 percent of Taiwan exports of stainless steel flanges were shipped to the United States.<sup>62</sup> Taiwan's subject exports to all markets declined to less than 700,000 pounds in 2004.<sup>63</sup> Over 90 percent of Taiwan's exports were sent to Australia, China, Hong Kong, Indonesia, Malaysia, Singapore, and Thailand.<sup>64</sup> In 2004, Taiwan's exports to the United States accounted for 5.3 percent of Taiwan's total exports of stainless steel flanges.<sup>65</sup>

Despite the recent decline in Taiwan's overall exports but in light of the prevailing conditions of competition in the U.S. market, including the fungible nature of the product, and its price insensitivity, (discussed in conditions of competition), we do not find that subject imports from Taiwan, with their history of increases in volume and underselling,<sup>66</sup> along with evidence of substantial capacity and export-orientation, would likely have no discernible adverse impact if the order was revoked.

### C. Likelihood of a Reasonable Overlap of Competition

In the original investigations, the Commission found that there was a reasonable overlap of competition between subject imports from both countries and between the domestic like product and subject imports.<sup>67</sup> In the first five-year reviews, the Commission found that there likely would be a reasonable overlap of competition between subject imports from India and subject imports from Taiwan and between the domestic like product and subject imports if the orders were revoked.<sup>68</sup>

Initially, the Commission found that subject imports from both subject countries were fungible with each other and the domestic like product, although there were perceived quality differences among forgings and among finished flanges. The Commission noted that stainless steel flanges must meet the standards set by the ASTM and ANSI and can be used interchangeably. It further noted that subject imports from both countries and the domestic product were sold in two forms, finished and unfinished.<sup>69</sup>

The Commission also found that subject imports from both countries and the domestic like product would likely be sold in the same channels of distribution in the U.S. market, that subject imports would likely be simultaneously present in the U.S. market, and that sales or offers of subject imports

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<sup>57</sup> CR/PR at Table I-12.

<sup>58</sup> CR/PR at Table I-12.

<sup>59</sup> CR/PR at Table I-12, CR at I-58/PR at I-44.

<sup>60</sup> CR at I-58 /PR at I-44.

<sup>61</sup> CR/PR at Table I-12

<sup>62</sup> CR/PR at Table I-12.

<sup>63</sup> CR/PR at Table I-12/PR at I-45.

<sup>64</sup> CR at I-59/PR at I-45.

<sup>65</sup> CR/PR at Table I-12.

<sup>66</sup> Original Determination at I-19.

<sup>67</sup> Original Determination at I-19.

<sup>68</sup> First Five-Year Review Determination at 7.

<sup>69</sup> First Five-Year Review Determination at 7.

would likely be sold in the same geographic markets. The Commission noted that its conclusions were not altered by the fact that subject imports from Taiwan had declined since the orders were imposed.<sup>70</sup>

## 1. Analysis

Below we examine the four factors the Commission customarily considers in determining whether there likely will be a reasonable overlap of competition.

*Fungibility.* The record in these reviews indicates that the domestic product and subject imports are fungible products. Stainless steel flanges must meet specifications regarding raw material usage, tolerances, and dimensions set by ASTM, ASME, and ANSI.<sup>71</sup> Both subject imports and the domestic like product are produced in two forms, finished and unfinished, although U.S. imports of unfinished flanges (forgings) from Taiwan have generally been modest.<sup>72</sup> In the original investigations, most responding purchasers indicated that the subject and domestic products were comparable although they reported some quality differences among forgings and among finished flanges.<sup>73</sup> In the original investigations, purchasers also indicated that subject imports from both India and Taiwan were utilized for the same end uses as the domestic product when produced to the same grade and specifications.<sup>74</sup> In these second five-year reviews, domestic interested parties stated that the fungibility of subject imports and the domestic product continues to be high.<sup>75</sup>

We note that during the second period of review, most imported stainless steel flanges from Taiwan have been of the finished product while the majority of the imported stainless steel flanges from India during 2003-04 have consisted of unfinished flanges or forgings. No forgings from Taiwan were imported during 2000, and only 1 percent of total U.S. imports of subject merchandise from Taiwan were of flange forgings during 2001.<sup>76</sup> During 2002-03, the share of total U.S. imports of subject merchandise held by forgings from Taiwan increased to 20-30 percent, then fell back to 4 percent in 2004.<sup>77</sup> While subject imports from Taiwan currently consist primarily of finished flanges, the composition of current imports affected by the discipline of the antidumping duty orders is not necessarily indicative of likely post-revocation behavior. In the last year of the period examined in the original investigations, the quantity of imported subject forgings from Taiwan approached the quantity of subject finished flanges from Taiwan.<sup>78</sup> Moreover, the rapid increase in subject forgings exported by Taiwan from 2002 to 2003 demonstrates that subject producers in Taiwan would be able to increase their exports to the U.S. market if the orders were lifted.

*Channels of Distribution.* The large majority of both domestic and subject finished flanges are sold through distributors who resell to end users or master distributors who resell to other distributors.<sup>79</sup>

*Geographic Overlap and Simultaneous Presence in the Market.* The record indicates that a portion of subject imports from India and Taiwan were shipped to the same U.S. ports (e.g., Chicago,

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<sup>70</sup> First Five-Year Review Determination at 7.

<sup>71</sup> CR at I-20-I21/PR at I-16-I-17.

<sup>72</sup> CR/PR at Tables I-5 and I-6.

<sup>73</sup> CR at I-21/PR at I-17.

<sup>74</sup> CR at I-21/PR at I-17.

<sup>75</sup> Domestic Interested Parties Response at 7.

<sup>76</sup> CR/PR at Table I-6.

<sup>77</sup> CR at I-42- I-43/PR at I-31.

<sup>78</sup> CR at Table I-5.

<sup>79</sup> CR at I-22/PR at I-18.

New York, and San Francisco).<sup>80</sup> The record also indicates that subject imports were simultaneously present throughout the second period of review, albeit in modest quantities for imports from Taiwan.<sup>81</sup> During the original investigations, the Commission found both of these cumulation criteria to be satisfied.

## 2. Conclusion

Based on a balancing of these factors, we find that there would likely be a reasonable overlap of competition between the subject imports and the domestic like product, and among the subject imports themselves, if the orders are revoked.

We do not find any likely differences in the conditions of competition relevant to the subject merchandise that would warrant our declining to exercise our discretion to cumulate. For these reasons, we exercise our discretion to cumulate subject imports from India and Taiwan.

## IV. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING DUTY ORDERS ARE REVOKED

### A. Legal Standard in a Five-Year Review

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur, and (2) the Commission makes a determination that revocation of the antidumping duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>82</sup> The SAA states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”<sup>83</sup> Thus, the likelihood standard is prospective in nature.<sup>84</sup> The U.S. Court of International Trade has found that “likely,” as used in the sunset review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>85</sup>

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<sup>80</sup> CR/PR at Table I-7.

<sup>81</sup> CR/PR at Table I-8.

<sup>82</sup> 19 U.S.C. § 1675a(a).

<sup>83</sup> SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” SAA at 883.

<sup>84</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

<sup>85</sup> See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), aff’d without opinion, 05-1019 (Fed. Cir. August 3, 2005); Nippon Steel Corp. v. United States, Slip Op. 02-153 at 7-8 (Ct. Int’l Trade Dec. 24, 2002) (same); Usinor Industeel, S.A. v. United States, Slip Op. 02-152 at 4 n.3 & 5-6 n.6 (Ct. Int’l Trade Dec. 20, 2002) (“more likely than not” standard is “consistent with the court’s opinion”; “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, Slip Op. 02-70 at 43-44 (Ct. Int’l Trade July 19, 2002) (“‘likely’ is tantamount  
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<sup>86</sup> <sup>87</sup> The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>88</sup> According to the SAA, a “reasonably foreseeable time” will vary from case-to-case, but normally will exceed the “imminent” timeframe applicable in a threat of injury analysis in original investigations.<sup>89</sup> <sup>90</sup>

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>91</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>92</sup>

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<sup>85</sup> (...continued)  
to ‘probable,’ not merely ‘possible’”).

<sup>86</sup> Vice Chairman Okun notes that consistent with her dissenting views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004) at 15-17, she does not concur with the U.S. Court of International Trade’s interpretation of “likely” to mean “probable” See Usinor Industeel, S.A. et al v. United States, No. 01-00006, Slip Op. 02-39 at 13 (Ct. Int’l Trade April 29, 2002). However, she will apply the Court’s standard in these reviews and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses the issue. Additional Views of Vice Chairman Deanna Tanner Okun Concerning the “Likely” Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Argentina, Brazil, Germany, and Italy, Inv. Nos. 731-TA-707-709 (Review)(Remand), USITC Pub. 3754 (Feb. 2005).

<sup>87</sup> Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004) at 15-17, she does not concur with the U.S. Court of International Trade’s interpretation of “likely” but she will apply the Court’s standard in these reviews and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses the issue.

<sup>88</sup> 19 U.S.C. § 1675a(a)(5).

<sup>89</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” Id.

<sup>90</sup> In analyzing what constitutes a reasonably foreseeable time, Chairman Koplán examines all the current and likely conditions of competition in the relevant industry. He defines “reasonably foreseeable time” as the length of time it is likely to take for the market to adjust to a revocation or termination. In making this assessment, he considers all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, this analysis seeks to define “reasonably foreseeable time” by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

<sup>91</sup> 19 U.S.C. § 1675a(a)(1).

<sup>92</sup> 19 U.S.C. § 1675a(a)(1). There have been no duty absorption findings by Commerce with respect to the orders under review. See CR/PR at I-5. The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one  
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In evaluating the likely volume of imports of subject merchandise if the antidumping and countervailing duty orders are revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>93</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>94</sup>

In evaluating the likely price effects of subject imports if the antidumping and countervailing duty orders are revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.<sup>95</sup>

In evaluating the likely impact of imports of subject merchandise if the antidumping duty orders are revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>96</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.<sup>97</sup> As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the orders are revoked.<sup>98</sup>

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<sup>92</sup> (...continued)

factor is necessarily dispositive. SAA at 886.

<sup>93</sup> 19 U.S.C. § 1675a(a)(2).

<sup>94</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>95</sup> 19 U.S.C. § 1675a(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

<sup>96</sup> 19 U.S.C. § 1675a(a)(4).

<sup>97</sup> 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping” in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year reviews as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. In the final results of its expedited reviews of the antidumping duty orders, Commerce expedited its determinations in its five year-reviews of stainless steel flanges from the subject countries and found that revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping at the following margins: India–Mukand, Sunstar, Bombay, and Dynaforge, 210 percent; Akai, 18.56 percent; and all others, 162.14 percent; Taiwan–Enlin, Ta Chen, Tay Precision, and all others, 48 percent. CR/PR at Table I-1. With respect to the antidumping duty orders under review, Commerce has not issued any duty absorption findings.

<sup>98</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While  
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## B. Conditions of Competition<sup>99</sup>

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>100</sup> The following conditions of competition in the stainless steel flanges market are relevant to our determinations.

As at the time of the original investigations and the first reviews, stainless steel flanges are produced and sold in two forms in the United States, finished and unfinished (or forgings).<sup>101</sup> The primary use for unfinished flanges is in the production of finished flanges.<sup>102</sup> The primary uses for finished flanges are in “process” operations such as those in chemical plants, petrochemical plants, pharmaceutical plants, food processing facilities, breweries, cryogenic plants, waste-treatment facilities, pulp and paper production facilities, gas-processing (gas-separation) facilities, and commercial nuclear power plants and nuclear Navy applications.<sup>103</sup> Stainless steel flanges are relatively simple to manufacture. As a result, there are low barriers to entry into the industry.<sup>104</sup>

U.S. and imported subject flanges generally are produced on the same type of equipment and in accordance with ASTM specifications.<sup>105</sup> The domestic and imported subject products generally are employed for the same end uses and are considered to be “essentially fungible.” U.S. producers and subject importers typically sell through distributors that tend to stock commodity-type products, although a minority of importers reported “special order” sales in 1992.<sup>106</sup> At the time of the original investigations, the subject Indian product was somewhat uneven in its “cosmetic” quality, but import data imply substantial acceptance of the product in the United States.<sup>107</sup>

The demand for finished stainless steel flanges is tied closely to the level of industrial spending for new construction and for modernization and retrofitting of existing facilities.<sup>108</sup> The overall level of demand for stainless steel flanges is fairly unresponsive to price changes.<sup>109</sup> Based on the limited information in the record, demand for stainless steel flanges has risen since the time of the original investigations.<sup>110</sup> Apparent consumption of finished stainless steel flanges rose from \*\*\* pounds in 1990 to \*\*\* pounds in 1998 to \*\*\* pounds in 2000. Apparent consumption for finished stainless steel flanges

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<sup>98</sup> (...continued)

these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

<sup>99</sup> Commissioner Pearson joins in this section. He notes, however, that in making his determinations in these reviews, he takes into consideration certain additional conditions of competition. For a discussion of these conditions, see his Separate and Dissenting Views.

<sup>100</sup> 19 U.S.C. § 1675a(a)(4).

<sup>101</sup> CR at I-18/PR at I-15.

<sup>102</sup> CR at I-18 n.60/PR at I-15 n.60.

<sup>103</sup> CR at I-18 n.60/PR at I-15 n.60.

<sup>104</sup> Original Determination at I-20.

<sup>105</sup> CR at I-19-20/PR at I-16.

<sup>106</sup> CR at I-22/PR at I-17.

<sup>107</sup> CR at I-21 n.73/PR at I-17 n.73.

<sup>108</sup> Original Determination at I-16.

<sup>109</sup> Original Determination at I-19.

<sup>110</sup> CR at I-46/PR at I-36, CR/PR at Table I-9.

fell to \*\*\* pounds in 2003 but \*\*\* increased to \*\*\* pounds in 2004.<sup>111</sup> The domestic interested parties attribute the decline in demand from 2000 to 2003 to the “dramatic decline in the U.S. economy during that time.”<sup>112</sup> According to the domestic interested parties, “[b]ecause stainless steel flanges are applied primarily in large capital investment projects such as processing piping systems, the decline in capital improvements made in the U.S. economy during the recession significantly reduced use of the product in the U.S. market.”<sup>113</sup> The domestic interested parties indicate that market conditions improved in 2004 and 2005.<sup>114</sup>

During the original investigations, the domestic industry consisted of both integrated producers (forgers/finishers) and converters.<sup>115</sup> At the time of the original investigations, there were six domestic forgers/finishers and three converters.<sup>116</sup> The domestic industry has undergone some restructuring since the period examined in the original investigations. While the industry still consists of both integrated producers and converters, the domestic interested parties have identified seven U.S. firms that currently manufacture the domestic like product; TMW, Gerlin, Kerkau Manufacturing, Inc., Maass, Newman, Westbrook, and Western. As was the case in the first five-year reviews, Maass is the \*\*\* domestic producer of stainless steel flanges.<sup>117</sup>

Domestic production of stainless steel flanges in the second period of review appears to have fallen to levels below those reported during the first-five year reviews and the final years of data reported in the original investigations. In 2004, U.S. production of stainless steel flanges was \*\*\* pounds, a \*\*\* percent decline from \*\*\* pounds in 1998, and a \*\*\* percent decline from \*\*\* pounds in 1992.<sup>118</sup> U.S. producers’ market share of finished stainless steel flanges was \*\*\* percent in 1990 and \*\*\* percent in 1998.<sup>119</sup>

U.S. producers’ market share of finished stainless steel flanges increased throughout the second period of review from \*\*\* percent in 2000, to \*\*\* percent in 2003, and to \*\*\* percent in 2004. However, U.S. producers’ market share \*\*\* levels reported during the original investigation and the first five-year reviews.<sup>120 121</sup> Subject imports’ market share of finished stainless steel flanges has steadily increased overall since the period examined in the first five-year reviews. Subject imports’ market share increased from \*\*\* percent in 1998 to \*\*\* percent in 2004, but \*\*\* below the levels reported in the original investigations.<sup>122</sup> Although overall subject import volume has decreased, total U.S. imports of finished flanges are substantially higher than in the early 1990s, due to an increase in nonsubject imports.<sup>123</sup> Specifically, the record shows that in 1990, nonsubject imports held a \*\*\* percent share of

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<sup>111</sup> CR/PR at Table I-9.

<sup>112</sup> Domestic Interested Parties’ Response at 8, 11.

<sup>113</sup> Domestic Interested Parties’ Response at 8, 11.

<sup>114</sup> Domestic Interested Parties’ Response at 8, 11.

<sup>115</sup> CR at I-25/PR at I-19.

<sup>116</sup> CR at I-25/PR at I-19.

<sup>117</sup> CR at I-25-I-27/PR at I-19-I- 21.

<sup>118</sup> CR at I-32/PR at I-24.

<sup>119</sup> CR at I-32/PR at I-24.

<sup>120</sup> CR/PR at Table I-9.

<sup>121</sup> Market shares for apparent U.S. consumption of forgings from 1998 through 2004 were unavailable.

<sup>122</sup> CR/PR at Table I-9.

<sup>123</sup> CR/PR at Table I-9.

the U.S. finished steel flanges market, which fell to \*\*\* percent in 1992.<sup>124</sup> In 1998, nonsubject imports held a \*\*\* percent market share and in 2004, nonsubject imports held a \*\*\* percent share.<sup>125</sup>

Based on the record evidence, we find that these conditions of competition in the domestic stainless steel flanges market are not likely to change significantly in the reasonably foreseeable future. Accordingly, we have taken these conditions of competition into account in assessing the likely effects of revocation of the antidumping duty orders within the reasonably foreseeable future.

### C. Likely Volume of Subject Imports

In the original determinations, the Commission found the cumulated volume of subject imports to be significant. Specifically, it found that there was a rapid increase of subject imports in the U.S. market and market penetration by subject imports. It further found that subject imports of stainless steel flanges (both finished and forgings) increased from 1.9 million pounds in 1990 to 6.4 million pounds in 1992, an increase of 254 percent.<sup>126</sup> It noted that the share of the U.S. market held by cumulated subject imports increased from 12.6 percent in 1990 to 37.1 percent in 1992.<sup>127</sup>

In the first five-year reviews, while noting that the volume of subject imports had declined since the imposition of the orders, the Commission found that subject import volume would likely be significant if the orders were revoked. The Commission reasoned that subject producers' substantial exports, the rapid increase in their exports to the U.S. market in the original investigations, and the apparent substantial capacity of subject producers indicated that subject producers were likely to commence significant exports to the United States upon revocation of the antidumping duty orders.

During the period examined in these second reviews, the volume of cumulated subject imports has increased overall. Subject imports of stainless steel flanges totaled 1.9 million pounds in 1999, 2.7 million pounds in 2000, 2.5 million pounds in 2001, 3.2 million pounds in 2002, 3.5 million pounds in 2003 and 6.1 million pounds in 2004.<sup>128</sup> Overall, the volume of subject imports increased by nearly 216 percent during the review period.<sup>129</sup>

Due to the lack of response from subject foreign producers in these reviews, there is limited information in the record concerning current levels of production capacity in India and Taiwan. In the original investigations, the Commission only received partial information from two Indian producers and one Taiwan producer. However, the combined capacity of the three producers must have been at least equal to the \*\*\* pounds they exported to the United States in 1991.<sup>130</sup> Moreover, at the time of original investigations, the Taiwan industry was characterized as being relatively modernized and capital intensive.<sup>131</sup> Indeed, Enlin, the only reporting Taiwan producer, \*\*\* its production capacity from 1990 to 1991 due to \*\*\*.<sup>132</sup>

While current capacity data for the subject countries are not available, data on the record show relatively high worldwide export levels for subject imports from India and Taiwan during the second period of review. Available *World Trade Atlas* data show that Indian exports of the subject product to all countries increased from 9 million pounds in 1999 to over 45 million pounds in 2004, indicating that the

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<sup>124</sup> CR/PR at Table I-9.

<sup>125</sup> CR/PR at Table I-9.

<sup>126</sup> Original Determination at I-18.

<sup>127</sup> Original Determination at I-18.

<sup>128</sup> CR/PR at Table I-5.

<sup>129</sup> CR/PR at Table I-5.

<sup>130</sup> CR/PR at Table I-5.

<sup>131</sup> CR at I-56/PR at I-44.

<sup>132</sup> CR at I-58/PR at I-44.

Indian industry continues to produce and export substantial quantities of stainless steel flanges.<sup>133</sup> Indian subject merchandise exported to the United States accounted for 41.3 percent of total Indian exports of subject stainless steel flanges in 2004.<sup>134</sup> The *World Trade Atlas* indicates that Taiwan exports of subject stainless steel flanges to all sources totaled 3.4 million pounds in 1999.<sup>135</sup> Taiwan exports of all subject merchandise to all sources declined to less than 700,00 pounds in 2004.<sup>136</sup> However, while Taiwan's overall subject exports declined, Taiwan's proportion of subject exports to the United States increased. In 1999, only 0.5 percent of Taiwan exports of stainless steel flanges were shipped to the United States.<sup>137</sup> In 2004, Taiwan's exports of the subject merchandise to the United States accounted for 5.3 percent of Taiwan's total subject exports.<sup>138</sup> Thus the record shows that subject producers continue to export substantial quantities of stainless steel flanges. As the record indicates, subject producers in India and Taiwan continue to rely on the U.S. market for shipment volume even under the discipline of the orders.

The subject producers' export orientation, their substantial exports, their continued reliance on the U.S. market, the rapid increase in subject exports to the United States in the original investigations as well as such producers' apparent substantial capacity, indicate that they are likely to increase exports to the United States significantly upon revocation of the antidumping duty orders. Consequently, based on the record in these reviews, we conclude that the volume of cumulated subject imports likely would increase to a significant level and regain significant U.S. market share if the orders were revoked. Accordingly, we conclude that the likely volume of the subject merchandise, both in absolute terms and relative to consumption and production in the United States, would be significant, absent the restraining effect of the orders.

#### **D. Likely Price Effects of Subject Imports**

The record in these reviews contains limited pricing data for the U.S. market. During the original investigations, the Commission found that the domestic product and subject imports were highly fungible. Moreover, the Commission determined that because demand for stainless steel flanges was relatively inelastic, "even small volumes of LTFV imports will not increase consumption, but will displace domestic stainless steel flanges and have a depressing or suppressing effect on domestic prices."<sup>139</sup> In the context of these competitive conditions, the Commission found significant price effects due to the subject imports. As the Commission observed, subject import prices declined over the period of investigation as subject import volumes increased. Additionally, the subject imports undersold domestically produced stainless steel flanges in the vast majority of pricing comparisons.<sup>140</sup>

In the first five-year reviews, the Commission determined that revocation of the orders would likely lead to significant underselling and significant price depression and suppression within a reasonably

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<sup>133</sup> CR/PR at Table I-11.

<sup>134</sup> CR at I-55/PR at I-42.

<sup>135</sup> CR/PR at Table I-11.

<sup>136</sup> CR at I-59/PR at I-45.

<sup>137</sup> CR/PR at Table I-12.

<sup>138</sup> CR/PR at Table I-12.

<sup>139</sup> Original Determination at I-19.

<sup>140</sup> Original Determination at I-19. Although the Commission has relied on comparisons of average unit values to determine likely price effects of subject imports in other reviews, we have declined to do so here due to at best sparse information on product mixes and current average unit values in the record.

foreseeable time given inelastic demand, the fungible nature of the product, and the past history of underselling of the domestic product by subject imports.<sup>141</sup>

There is no current pricing data available in these reviews. We note that the reported average unit value of domestically produced flanges fell to \$\*\*\* in 2004, which is less than the unit value figure reported in 1998.<sup>142</sup>

Based on the limited facts available, we find it likely that, absent the antidumping duty orders, competitive conditions would return to those prevailing prior to the imposition of the orders. Moreover, given the fungibility between the domestic and subject stainless steel flanges, the producers in India and Taiwan have further incentive to lower their prices to recapture their U.S. market share. Thus, increased sales of subject imports likely would be achieved by means of aggressive pricing. Based upon the Commission's previous findings that a reduction in prices will not stimulate demand for the product, the fungible nature of the product, and the past history of underselling, we find it likely that subject imports from India and Taiwan would enter the United States at prices that would significantly depress or suppress U.S. prices if the orders are revoked.

For the foregoing reasons, we find that revocation of the antidumping duty orders would be likely to lead to significant underselling by the cumulated subject imports of the domestic like product, as well as significant price depression and suppression, within a reasonably foreseeable time.

#### **E. Likely Impact of Cumulated Subject Imports**

In the original investigations, the Commission found that the domestic industry's market share, production, capacity utilization, employment, and financial performance began to deteriorate during the final year of the investigations. It concluded that increased volumes of subject imports would prevent domestic producers from recovering cost increases and would exacerbate the domestic industry's declining financial performance.<sup>143</sup>

In the first five-year reviews, the Commission found that subject imports from India and Taiwan would have a significant adverse impact on the domestic industry if the orders were revoked. The Commission was evenly divided as to whether the domestic industry was vulnerable.<sup>144</sup> However, the Commission found that the volume and price effects of the cumulated subject imports likely would cause the domestic industry to lose market share, with a significant adverse impact on the domestic industry's production, shipments, sales, and revenue levels. It noted that this likely reduction in the industry's production, sales, and revenue levels would have a direct adverse impact on the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. In addition, the Commission found that revocation of the orders likely would result in employment declines for domestic firms.<sup>145</sup>

In the first five-year reviews, the Commission determined that the industry had improved due to the decline in subject imports following imposition of the orders. In these second reviews, the domestic interested parties contend that, despite these initial improvements and the orders in effect on the subject countries, the domestic industry is "extremely vulnerable to renewed material injury if the antidumping

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<sup>141</sup> First Five-Year Review Determination at 13-14.

<sup>142</sup> CR at I-32-I-33/PR at I-24-I-25.

<sup>143</sup> Original Determination at I-19-I-20.

<sup>144</sup> In the first-five year reviews, Chairman Koplan, Vice Chairman Okun, and Commissioner Askey found the domestic industry not to be currently vulnerable in light of its substantial capital investments and overall sound operating performance. First Five-Year Review Determination at 15 n.84. Commissioners Bragg, Miller, and Hillman found that the domestic industry was currently vulnerable to material injury as a result of rising raw material costs and declining prices. First Five-Year Review Determination at 15 n.85.

<sup>145</sup> First Five-Year Review Determination at 15-16.

duty orders on [stainless steel flanges] from India and Taiwan are revoked.”<sup>146</sup> We note that the record indicates that during 2004, domestic production and U.S. shipments of stainless steel flanges appear to have fallen to levels below those reported during the final years of data reported in the original investigations.<sup>147</sup> However, there is no information in the record pertaining to many of the financial and trade indicators, such as operating income, capacity, capacity utilization rates, and employment levels, that we generally consider in assessing whether the domestic industry is in a weakened states as contemplated by the statute. Therefore, given the paucity of data, on balance, we are unable to reach a determination as to whether the domestic is currently vulnerable.

As discussed above, revocation of the antidumping duty orders likely would lead to significant increases in the volume of cumulated subject imports at prices that would undersell the domestic like product and significantly depress U.S. prices. In addition, the volume and price effects of the cumulated subject imports likely would cause the domestic industry to lose market share, with a significant adverse impact on the domestic industry’s production, shipments, sales, and revenue levels.

This reduction in the industry’s production, shipments, sales, and revenue levels would have a direct adverse impact on the industry’s profitability as well as its ability to raise capital and make and maintain necessary capital investments. In addition, we find it likely that revocation of the orders will result in commensurate employment declines for domestic firms.

Accordingly, based on the limited record in these reviews, we conclude that, if the antidumping duty orders are revoked, subject imports from India and Taiwan would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

## CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty orders on forged stainless steel flanges from India and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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<sup>146</sup> Domestic Interested Parties’ Response at 11.

<sup>147</sup> CR at I-32/PR at I-24.

## SEPARATE AND DISSENTING VIEWS OF COMMISSIONER DANIEL R. PEARSON

### I. INTRODUCTION

Section 751(d)(2) of the Tariff Act of 1930, as amended (“the Act”), requires that the U.S. Department of Commerce (“Commerce”) revoke a countervailing duty or an antidumping duty order or terminate a suspended investigation in a five-year review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the U.S. International Trade Commission (“Commission”) determines that material injury to a U.S. industry would be likely to continue or recur within a reasonably foreseeable time.<sup>1</sup> Based on the record in these second five-year reviews, I determine that material injury is likely to continue or recur within a reasonably foreseeable time if the antidumping duty order on subject imports of forged stainless steel flanges (“stainless steel flanges”) from India is revoked. I also determine, however, that material injury is not likely to continue or recur within a reasonably foreseeable time if the antidumping duty order on subject imports of stainless steel flanges from Taiwan is revoked.

I join my colleagues’ discussion regarding domestic like product and domestic industry, and the relevant conditions of competition in the U.S. market. I write separately to discuss the legal standard governing five-year reviews, my approach to cumulation in these reviews, and my analysis of the statutory factors.

### II. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ORDERS ARE REVOKED

#### A. Legal Standard

##### 1. In General

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke a countervailing or antidumping duty order or terminate a suspended investigation unless: (1) it makes a determination that dumping or a countervailable subsidy is likely to continue or recur, and (2) the Commission makes a determination that revocation of an order or termination of a suspended investigation would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.<sup>2</sup> The Statement of Administrative Action states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”<sup>3</sup> Thus, the likelihood standard is prospective in nature.<sup>4</sup> The statute states that “the Commission shall consider that

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<sup>1</sup> 19 U.S.C. § 1675(d)(2).

<sup>2</sup> 19 U.S.C. § 1675a(a).

<sup>3</sup> Statement of Administrative Action, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994) (“SAA”). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” SAA at 883.

<sup>4</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in (continued...) ”

the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>5</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ time frame applicable in a threat of injury analysis in antidumping and countervailing duty investigations.”<sup>6</sup>

Although the standard in five-year reviews is not the same as the standard applied in original antidumping or countervailing duty investigations, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated.”<sup>7</sup> It directs the Commission to take into account its prior injury determinations, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>8</sup>

## 2. Facts Available

The statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination.<sup>9</sup> I generally give credence to the facts supplied by the participating parties and certified by them as true, but base my decision on the evidence as a whole, and do not automatically accept the participating parties’ suggested interpretation of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that

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<sup>4</sup> (...continued)  
making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

<sup>5</sup> 19 U.S.C. § 1675a(a)(5).

<sup>6</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

<sup>7</sup> 19 U.S.C. § 1675a(a)(1).

<sup>8</sup> 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886. I note that no duty absorption findings have been made by Commerce. Confidential Staff Report (INV-CC-194, Nov. 14, 2005, hereinafter CR) at I-5, Public Staff Report (hereinafter PR) at I-5.

<sup>9</sup> Section 776 of the Act authorizes the Commission to “use the facts otherwise available” in reaching a determination when: (1) necessary information is not available on the record or (2) an interested party or other person withholds information requested by the agency, fails to provide such information in the time, form, or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782(I) of the Act. 19 U.S.C. § 1677e(a). The verification requirements in section 782(i) are applicable only to Commerce. 19 U.S.C. § 1677m(i). See Titanium Metals Corp., 155 F. Supp. 2d at 765 (“the ITC correctly responds that Congress has not required the Commission to conduct verification procedures for the evidence before it, or provided a minimum standard by which to measure the thoroughness of a Commission investigation.”).

render such analysis superfluous. In general, the Commission makes determinations by “weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive.”<sup>10</sup>

### 3. The “Likely” Standard

The legal standard the Commission is to apply is whether revocation of an order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>11</sup> The U.S. Court of International Trade (the “Court”) has found that “likely,” as used in the sunset review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>12 13</sup>

In evaluating the likely volume of imports of subject merchandise if an order is revoked or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>14</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>15</sup>

In evaluating the likely price effects of subject imports if an order is revoked or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.<sup>16</sup>

In evaluating the likely impact of imports of subject merchandise if an order is revoked or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments,

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<sup>10</sup> SAA at 869.

<sup>11</sup> 19 U.S.C. § 1675a(a).

<sup>12</sup> See NMB Singapore Ltd. V. United States, 288 F. Supp. 2d 1306, 1352 (2003) (“‘likely’ means probable within the context of 19 U.S.C. §§ 1675(c) and 1675a(a)”; Nippon Steel Corp., et al. v. United States, Slip Op. 02-153 at 7-8 (Dec. 24, 2002) (same) (Nippon); Usinor Industeel, S.A. v. United States, Slip Op. 02-152 at 6 n.6 (Dec. 20, 2002) (Usinor Industeel III); and Usinor v. United States, Slip Op. 02-70 at 43-44 (July 19, 2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”) (Usinor).

<sup>13</sup> The Court has interpreted the word “likely” to mean probable or “more likely than not.” The Court’s “likely” standard means that the continuation or recurrence of material injury must be “more likely than not,” otherwise the order must be revoked. While, for purposes of these reviews, I do not take a position on the correct interpretation of “likely,” with regard to the order on Taiwan I would have made a negative determination under any interpretation of “likely” other than that equating “likely” with merely “possible.”

<sup>14</sup> 19 U.S.C. § 1675a(a)(2).

<sup>15</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>16</sup> 19 U.S.C. § 1675a(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>17</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.<sup>18</sup> As instructed by the statute, I have considered the extent to which any improvement in the state of the domestic industry is related to the orders at issue and whether the industry is vulnerable to material injury if the orders are revoked.<sup>19 20</sup>

## **B. Conditions of Competition**

In evaluating the impact of subject imports on the domestic industry if the orders are revoked, the statute directs the Commission to evaluate all the relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>21</sup> In performing my analysis under the statute, I have taken into account the conditions of competition in the U.S. market for forged stainless steel flanges noted by the Commission majority.

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<sup>17</sup> 19 U.S.C. § 1675a(a)(4).

<sup>18</sup> 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy” in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year reviews as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. In its expedited final results of these five-year reviews, with respect to the antidumping duty orders on India and Taiwan, Commerce determined the following likely dumping margins: India: 18.56 percent to 210.00 percent; and Taiwan: 48.00 percent. CR/PR at table I-1.

<sup>19</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

<sup>20</sup> 19 U.S.C. § 1675a(6).

<sup>21</sup> 19 U.S.C. § 1675a(a)(4).

## C. Cumulation

### 1. Framework

Section 752(a) of the Act provides that:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.<sup>22</sup>

Thus, cumulation is discretionary in five-year reviews. However, the Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.<sup>23</sup> I note that neither the statute nor the Uruguay Round Agreements Act (“URAA”) SAA provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.<sup>24</sup> With respect to this provision, the Commission generally considers the likely volume of the subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.

In these reviews, the statutory requirement for cumulation that all reviews be initiated on the same day is satisfied as Commerce initiated all the reviews on July 1, 2005.

The Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product.<sup>25</sup> Only a “reasonable overlap” of competition is required.<sup>26</sup> In five-year reviews, the relevant inquiry is whether

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<sup>22</sup> 19 U.S.C. § 1675a(a)(7).

<sup>23</sup> 19 U.S.C. § 1675a(a)(7).

<sup>24</sup> SAA, H.R. Rep. No. 103-316, vol. I (1994).

<sup>25</sup> The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are simultaneously present in the market. *See, e.g., Wieland Werke, AG v. United States*, 718 F. Supp. 50 (CIT 1989).

<sup>26</sup> *See Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (CIT 1996); *Wieland Werke, AG*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); *United States Steel Group v. United States*, 873 F. Supp. 673, 685 (CIT 1994), *aff’d*, 96 F.3d 1352 (Fed. Cir. 1996). I note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. *See, e.g., Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 (Preliminary) and 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff’d sub nom, Ranchers-Cattlemen Action Legal Foundation v.*

(continued...)

there likely would be competition even if none currently exists. Moreover, because of the prospective nature of five-year reviews, I have examined not only the Commission's traditional competition factors, but also other significant conditions of competition that are likely to prevail if the orders under review are terminated. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.<sup>27</sup>

Significant differences in the conditions of competition with respect to the subject imports from Taiwan versus subject imports from India lead me to decline to cumulate subject imports from both countries. Because I decline to cumulate subject imports from India and Taiwan on the basis of differences in conditions of competition, I find it unnecessary to decide the issue of no discernible adverse impact with respect to subject imports from India and Taiwan.<sup>28</sup>

## 2. Likelihood of a Reasonable Overlap of Competition

I examine below the four factors the Commission customarily considers in determining whether there will be a likely reasonable overlap of competition. For my determinations on India and Taiwan, I find a likely reasonable overlap of competition among subject imports from all sources and between these imports and the domestic like product if the orders were revoked.

In the original investigations involving India and Taiwan, the Commission cumulated imports from both sources, finding a reasonable overlap of competition among the importers and the domestic producers because of common channels of distribution, end uses, and geographic areas in which the product was marketed.<sup>29</sup> In the first sunset reviews, the Commission, citing data from the original investigations, noted that imports from the subject countries were simultaneously present in the market, moved through the same channels of distribution, and generally competed with each other and the domestic product.<sup>30</sup>

*Fungibility.*--The Commission found this factor satisfied in the original investigations as well as in the first five-year reviews. In these expedited reviews, there is little information on the record addressing the issue of fungibility of the domestic product with subject imports. According to domestic parties, domestic product and subject imports remain interchangeable.<sup>31</sup> In the original investigations, most responding purchasers described the products as comparable and noted that subject imports were employed in the same range of end uses as domestic products with similar specifications. On the other

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<sup>26</sup> (...continued)

United States, 74 F. Supp.2d 1353 (CIT 1999); Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-761-762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

<sup>27</sup> See, e.g., Torrington Co. v. United States, 790 F. Supp. at 1172 (affirming Commission's determination not to cumulate for purposes of threat analysis when pricing and volume trends among subject countries were not uniform and import penetration was extremely low for most of the subject countries); Metallwerken Nederland B.V. v. United States, 728 F. Supp. 730, 741-42 (CIT 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (CIT 1988).

<sup>28</sup> Cf. Top-of-the-Stove Stainless Steel Cooking Ware from Korea, Inv. Nos. 701-TA-267 and 731-TA-304 (Review)(Remand), USITC Pub. 3485 at 5 (Jan. 2002) (declining to address criterion of no discernible adverse impact in the absence of evidence of a reasonable overlap of competition).

<sup>29</sup> Stainless Steel Flanges from India and Taiwan, Inv. Nos. 731-TA-639 and 640 (Final), USITC Pub. 2724 (Feb. 1994) ("Original Determination") at I-14-I-16.

<sup>30</sup> Forged Stainless Steel Flanges from India and Taiwan, Inv. Nos. 731-TA-639 and 640 (Review), USITC Pub. 3329 (July 2000) ("First Review Determination"), at 7.

<sup>31</sup> CR/PR at table I-6.

hand, there was some testimony during the original investigations that Taiwan product was of higher quality than the Indian product.

In these reviews, there is information on the record indicating that since the time of the first five-year reviews, most imported stainless steel flanges from Taiwan have been finished flanges. In contrast, although in the first three years of the period examined (2000 through 2002) the majority of imports from India were of finished flanges, in the last two years (2003 and 2004), the majority of such imports were of forgings (unfinished flanges).

*Channels of Distribution.*--The Commission found this factor satisfied in the original investigations. During this five-year period of review, the subject product, regardless of source, was generally sold to distributors who resell to end users or to so-called "master distributors" who resell to other distributors.<sup>32</sup>

*Geographic Overlap.*--In the original investigations, parties agreed that imported subject product generally competed directly with the domestic product and that both were sold through similar channels of distribution to similar markets.<sup>33</sup> During the period examined in these five-year reviews, official import statistics show that imports from the subject countries overlapped substantially at various ports of entry.<sup>34</sup> Moreover, monthly import data show that imports from India and Taiwan entered the United States in every month since January 2000.<sup>35</sup>

*Simultaneous Presence in Market.*--The Commission found this criterion satisfied in the original investigations. Subject imports from Taiwan, however, have been present at much lower levels during the period of review.<sup>36</sup>

*Conclusion.*--Information in the record indicates that despite some differences in product mix, subject imports from India and Taiwan are likely to be fungible with each other and with the domestic like product, as was the case in the original investigations. Even though Taiwan currently exports more finished products in contrast to India, which exports more unfinished product, there is no evidence that subject imports are not fungible with each other for a given application. The record does not indicate any changes in channels of distribution since the original investigations. I also find that subject imports likely would have the same continuous presence in the U.S. market and geographic presence as they did during the original investigations.

Consequently, the conclusions the Commission reached in the original investigations concerning reasonable overlap of competition generally also are applicable to the issue of likely overlap of competition in these five-year reviews. Accordingly, with respect to subject imports from India and Taiwan, I find that there is a likely overlap of competition with each other and with the domestic like product.

### 3. Other Considerations

My cumulation analysis in a five-year review encompasses more than an examination of whether there would likely be a reasonable overlap of competition of the products in the U.S. market. In deciding whether to exercise my discretion to cumulate under 19 U.S.C. §1675a(a)(7), I examine the current and likely differences in the conditions of competition. I find that there have been changes in certain conditions of competition since the orders were imposed. I also find significant evidence of differing

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<sup>32</sup> *Id.*

<sup>33</sup> Original Determination at I-15.

<sup>34</sup> CR/PR at table I-7.

<sup>35</sup> CR at I-46 & n.129; PR at I-36 & n.129; CR/PR at table I-8.

<sup>36</sup> CR/PR at table I-8.

volume and price trends of the subject imports demonstrated in the original investigations. Based on this evidence, I do not exercise my discretion to cumulate subject imports from India and Taiwan.

*Differing volume trends.*--At the beginning of the original period of investigation, total U.S. imports from India and from Taiwan were approximately the same volume. In 1990, subject imports from India were 987,000 pounds, whereas subject imports from Taiwan were 818,000 pounds.<sup>37</sup> Yet, during the period of investigation, imports from India increased extremely rapidly, while imports from Taiwan also increased, but at a more measured pace. By the end of the period of investigation (1993), imports from India were 5.31 million pounds, compared to 1.35 million pounds from Taiwan; thus, imports from India were nearly four times those from Taiwan. Market share data show similar trends. In the category of finished flanges, subject import market share increased only slightly (less than \*\*\* percent for Taiwan). For forgings, however, subject imports from India increased their market share from \*\*\* percent in 1990 to \*\*\* percent in 1992, while the market share of imports from Taiwan was minuscule, increasing from \*\*\* percent in 1990 to \*\*\* percent in 1992.<sup>38</sup> I find these differing trends particularly significant because the Commission's original affirmative determinations were based on threat. Given these data, I can only conclude that, at that time, the Commission perceived a far greater threat from imports from India than it did from imports from Taiwan.

*Differing price trends.*--During the original investigations, Indian product undersold U.S. product in all comparisons, and Indian prices declined.<sup>39</sup> In contrast, imports from Taiwan undersold in 80 percent of comparisons, yet the prices of those imports, while declining initially, reversed course and increased toward the end of the period of investigation.<sup>40</sup> There were also no lost sales allegations regarding imports from Taiwan.<sup>41</sup> Average unit values (AUVs) for subject imports from Taiwan were higher than those for India in every period examined in the original investigations. In particular, AUVs for India ranged between \$1.49 and \$1.89 per pound during the period 1990 through 1992, while AUVs for imports from Taiwan ranged between \$2.41 and \$3.28 per pound.<sup>42</sup> I find these differences significant, and I also note that this pattern continued after imposition of the orders. During the period 1994 through 2004, AUVs of imports from Taiwan were substantially higher than AUVs of imports from India in all years, sometimes exceeding Indian AUVs by a factor of two or more.<sup>43</sup>

*Different conditions of competition.*--As noted above, current U.S. imports from Taiwan are largely finished flanges, whereas substantial shares of imports from India consist of forgings. Indeed, the emphasis on forgings among imports from India is apparent as far back as 1991. Since 1990, in most

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<sup>37</sup> CR/PR at table I-5.

<sup>38</sup> CR/PR at tables I-9 and I-10.

<sup>39</sup> Original confidential staff report ("OCR") (INV-R-010, Jan. 18, 1994), at I-67-I-78. For example, for product 1 (finished stainless steel flanges, slip-on model, 3-inch nominal pipe size, grade 304/304L, class 150), prices of imports from India fell from \$\*\*\* per unit in the first quarter of 1990 to \$\*\*\* per unit in the third quarter of 1993. OCR at table 24.

<sup>40</sup> For example, for product 1, prices for imports from Taiwan fell from \$\*\*\* per unit in the first quarter of 1990 to \$\*\*\* per unit in the fourth quarter of 1992, but then increased sharply to \$\*\*\* by the third quarter of 1993. OCR at table 24. Margins of underselling of imports from Taiwan for this and most other products were also considerably lower than those associated with imports from India. OCR at tables 24-28.

<sup>41</sup> OCR at I-79-I-83.

<sup>42</sup> CR/PR at table I-5.

<sup>43</sup> Id.

years the majority of imports from India have consisted of forgings.<sup>44</sup> For Taiwan, by contrast, imports of forgings have never exceeded imports of the finished product. Indeed, in most years since 1991, imports of forgings from Taiwan have been less than 100,000 pounds per year.<sup>45</sup>

*Conclusion.*--I find that, with regard to subject imports, that the current and past conditions of competition are sufficiently different between the two countries to override the fact that the products from each source are essentially fungible for discrete applications. In other words, although an Indian forging may be fungible (in terms of quality) with a forging from Taiwan in a particular application, the fact that the countries, when viewed as a whole, shipped different types of products not only recently, but before the orders were imposed, indicates that they would not compete directly if the orders were revoked. I also determine that the fact that the trends in volume between the two countries were different during the original investigations suggests that, in the event of revocation, the volume of imports from the two countries would respond differently and would have differing impacts on the domestic industry. Finally, exporters in the subject countries also seem to sell at different price levels, further limiting potential competition upon revocation. Accordingly, in light of these factors, I do not exercise my discretion to cumulate subject imports from India with subject imports from Taiwan.

**D. Revocation of the Antidumping Order on Imports from India Is Likely to Lead to a Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time**

**1. Likely Volume of Subject Imports**

In the original investigations, the Commission cumulated imports from India and Taiwan. In these reviews, I do not exercise my discretion, under 19 U.S.C. §1675a(a)(7), to cumulate imports from Taiwan with imports from India, based on significant differences in the conditions of competition with respect to the subject imports from both countries, in addition to likely differing volume and price trends upon revocation. As a result, in analyzing the likely volume of imports from India I have taken into account the Commission's previous volume findings, recognizing the difference represented by imports from Taiwan.

In the original investigations, the Commission found that volume and market share of subject imports from India and Taiwan increased significantly over the investigation period, including in the interim periods.<sup>46</sup> The Commission did not comment specifically on the trend in volume for India. The record indicates, however, that the volume of subject imports from India sharply increased from 987,000 pounds in 1990 to 5.1 million pounds in 1992.<sup>47</sup>

Similarly, in the first five-year reviews, the Commission cumulated imports from Taiwan and India. It noted, however, that for India, public data indicated high global export levels during the review

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<sup>44</sup> Since 1991, imports of forgings from India have exceeded imports of finished flanges in 9 of the 14 calendar years. CR/PR at table I-5.

<sup>45</sup> *Id.*

<sup>46</sup> Cumulated subject imports increased from 1.8 million pounds in 1990 to 6.4 million pounds in 1992. OCR at C-2, table C-1. The market share of subject imports of finished flanges increased from \*\*\* percent in 1990 to \*\*\* percent in 1992, and the market share of subject imports of forgings increased from \*\*\* percent in 1990 to \*\*\* percent in 1992. OCR at tables 19 & 20.

<sup>47</sup> CR/PR at table I-5.

period, and concluded that substantial levels of exports would likely be directed to the United States in the event the order were revoked.<sup>48</sup>

In these second five-year reviews, because the Commission did not receive a response from any Indian producers, we have very little record information regarding the factors we must examine under 19 U.S.C. 1675a(a)(2) in determining whether increases in the volume of subject imports are likely in the event of revocation of the order. Hence, based on my authority under 19 U.S.C. 1677e(a), I rely primarily on information provided by domestic parties. As the record of these reviews indicates, after imposition of the order, import volumes from India first declined markedly, but in 1996 began to increase overall until reaching, by 2004, a level comparable to the peak during the original investigation.<sup>49</sup> Domestic parties argue that the significant contraction in import volumes in the immediate post-order period demonstrates that Indian producers were unable to sell forged stainless steel flanges in comparable volumes in the U.S. market under the discipline of the antidumping duty order.<sup>50</sup> By the same token, they contend that, after that initial decline, the ensuing increased volumes of imports show that the Indian industry has greatly increased its ability to produce and export forged stainless steel flanges since the time of the previous sunset review, and thus Indian imports into the U.S. market would likely increase dramatically in the event of revocation.

In these reviews, there is no information on the record concerning current Indian capacity to produce stainless steel flanges, capacity utilization of facilities producing the subject product, or inventories of forgings or flanges.<sup>51</sup> Under these circumstances, the Commission must look to patterns in these data during the original investigations. Although Indian producers did not provide data on capacity in those investigations, they did provide data on inventories. Inventories of forgings in 1991 were substantial, particularly in relation to export shipments.<sup>52</sup> In addition, I find it significant that imports from India have rapidly increased in recent years.<sup>53</sup>

In sum, based on the demonstrated ability of Indian producers to increase rapidly imports into the U.S. market, their continued presence in the market, and their past propensity to hold significant levels of inventories, I conclude that it is likely that, in the event the order on stainless steel flanges from India is revoked, the likely volume of subject imports from India would be significant.

## **2. Likely Price Effects of Subject Imports**

In the original investigations, the Commission found that in every one of the 74 possible price comparisons, Indian products were priced below the comparable domestic products by margins ranging from 2.2 to 41.5 percent, with the majority of instances of underselling in excess of 20 percent.<sup>54</sup> In the first five-year reviews, the Commission cited these findings and also noted that subject imports and the domestic like product were highly fungible and that demand for the domestic like product was relatively

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<sup>48</sup> USITC Pub. 3329 at 13.

<sup>49</sup> CR/PR at table I-5.

<sup>50</sup> Domestic parties' comments, Aug. 22, 2005, at 4-6.

<sup>51</sup> CR at I-55, PR at I-42.

<sup>52</sup> OCR at I-48, table 17. In 1991, inventories of forgings were \*\*\* pounds, which was \*\*\* percent of exports to the United States in that year.

<sup>53</sup> CR/PR at table I-5. Imports from India increased from 3.3 million pounds in 2003 to 5.7 million pounds in 2004, a 72-percent increase.

<sup>54</sup> OCR at I-70; USITC Pub. 2724 at I-19. The Commission also noted several allegations of lost sales and lost revenues involving India. OCR at I-79-I-81.

inelastic, such that even small additional volumes of imports would have a depressing or suppressing effect on domestic prices.<sup>55</sup>

In these reviews, I can draw very few conclusions from the pricing data, as the Commission received no information from Indian producers of stainless steel flanges. Domestic parties assert that given the fact that the basic character of the stainless steel flanges market has not changed, in that the market is very competitive and price-sensitive, price-related injury is likely to occur if the orders are revoked.<sup>56</sup> They also point out that once the orders were imposed, market prices improved for domestic producers and thus it is clear that, if the current orders are revoked, the price discipline on producers and importers from India will be removed, and price reductions will result.<sup>57</sup>

Anecdotal evidence on the record of these reviews indicates that prices in the domestic market may currently be increasing generally.<sup>58</sup> These price increases, however, to the extent that they are occurring, are doing so under the discipline of the existing order and do not indicate what might happen to prices if the order on India were revoked. We also do not know the extent to which the subject product is currently sensitive to price, as we do not have input in these reviews from U.S. purchasers of the domestic like product.

Nevertheless, given the likely significant volume of imports, the importance of price in the stainless steel flanges market during the original investigations, the general substitutability of subject imports and the domestic like product, and the consistent and substantial underselling of imports from India in the original investigation, resulting in some lost sales and lost revenues, I find a likelihood of significant negative price effects from the subject imports. Consequently, I conclude that, if the order on stainless steel flanges from India were revoked, significant volumes of subject imports from India would likely undersell significantly the domestic product and gain market share and would likely have significant depressing or suppressing effects on the prices of the domestic like product.

### **3. Likely Impact of Subject Imports**

In the original investigations, the Commission found that most economic and financial indicators of the condition of the U.S. industry were mixed, and thus concluded that although the industry was not then experiencing material injury, it was in a vulnerable condition.<sup>59</sup> In particular, the Commission cited the fact that despite an increase in domestic industry sales toward the end of the period, the operating margins of the industry were declining and overall capital expenditures fell sharply over the three-year period examined.<sup>60</sup> In the first five-year reviews, the Commission noted improvements in the condition of the domestic industry following declines in the volume of subject imports. However, the Commission observed that the financial performance of the industry was still fluctuating noticeably, and was split on whether the industry was still vulnerable.<sup>61</sup>

In these reviews, as in the first five-year reviews, the Commission has limited information on the condition of the U.S. industry. Domestic parties claim that the industry is still vulnerable due to the effect of the economic recession in 2000-2003, although they acknowledge recent evidence of improved

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<sup>55</sup> USITC Pub. 3273 at 13-14.

<sup>56</sup> CR at I-24, PR at I-19.

<sup>57</sup> Domestic parties' comments, Aug. 22, 2005, at 6-7.

<sup>58</sup> CR at I-23; PR at I-18.

<sup>59</sup> USITC Pub. 2724 at I-11-I-13.

<sup>60</sup> *Id.* at I-13.

<sup>61</sup> USITC Pub. 3273 at 15.

industry fortunes.<sup>62</sup> I note that the record lacks evidence on the domestic industry's current capacity, capacity utilization, or employment levels. Production and shipment levels in 2004, however, are substantially lower than those experienced in 1998, the beginning of the period examined in the first sunset reviews.<sup>63</sup> The 2004 levels for these indicators are comparable to those at the end of the original period of investigation (1992), although unit values of shipments are much lower.

Accordingly, what little information there is on the condition of the domestic industry indicates that the industry's fortunes have probably declined since the industry was last examined during the first five-year review. As discussed above, revocation of the antidumping order on imports from India would be likely to lead to a significant increase in the volume of subject imports that would undersell the domestic like product and significantly suppress or depress U.S. prices. I find that these volume and price effects of the subject imports would necessarily have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. Accordingly, I conclude that, if the order on imports from India were revoked, subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

**E. Revocation of the Antidumping Order on Imports from Taiwan Is Not Likely to Lead to a Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time**

**1. Likely Volume of Subject Imports**

In the original investigations, the Commission cumulated imports from India and Taiwan. In these reviews, I do not exercise my discretion, under 19 U.S.C. §1675a(a)(7), to cumulate imports from Taiwan with imports from India, based on significant differences in the conditions of competition with respect to the subject imports from both countries, in addition to likely differing volume and price trends upon revocation. As a result, in analyzing the likely volume of imports from Taiwan I have taken into account the Commission's previous volume findings, recognizing the difference represented by imports from India.

In the original investigations, the Commission found that the volume and market share of subject imports from India and Taiwan increased significantly over the investigation period, including in the interim periods.<sup>64</sup> The Commission did not comment specifically on the trend in volume for Taiwan. The record indicates, however, that the volume of subject imports from Taiwan increased moderately from 818,000 pounds in 1990 to 1.3 million pounds in 1992.<sup>65</sup>

Similarly, in the first five-year reviews, the Commission cumulated imports from Taiwan and India. It noted, however, that for Taiwan, subject imports during the review period remained far below their peak levels during the original investigations, and attributed this development to the restraining effect of the order.<sup>66</sup>

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<sup>62</sup> Domestic parties' comments, Aug. 22, 2005, at 8-9.

<sup>63</sup> CR/PR at table I-4.

<sup>64</sup> Cumulated subject imports increased from 1.8 million pounds in 1990 to 6.4 million pounds in 1992. OCR at C-2, table C-1. The market share of subject imports of finished flanges increased from \*\*\* percent in 1990 to \*\*\* percent in 1992, and the market share of subject imports of forgings increased from \*\*\* percent in 1990 to \*\*\* percent in 1992. OCR at tables 19 & 20.

<sup>65</sup> CR/PR at table I-5.

<sup>66</sup> USITC Pub. 3329 at 12.

In these second five-year reviews, because the Commission did not receive a response from any producers in Taiwan, we have very little record information regarding the factors we must examine under 19 U.S.C. 1675a(2) in determining whether increases in the volume of subject imports are likely in the event of revocation of the order. Domestic parties argue that the large reduction in imports from Taiwan since the order demonstrates that Taiwan producers have been unable to sell forged stainless steel flanges in comparable volumes under the discipline of the antidumping duty order. Further, they cite data from the Taiwan Ministry of Finance showing that the export volume of forged stainless steel flanges from Taiwan increased by 73.8 percent from 2003 to 2004 as proof of the export orientation of the Taiwan industry.<sup>67</sup>

Given that these are expedited reviews, there is little information on the record concerning the statutory factors. During the original investigations, there was evidence of some available capacity in Taiwan, but there is no information concerning current capacity utilization ratios.<sup>68</sup> Record information does indicate, however, that Taiwan was far less export-oriented in 2003 and 2004 than it was in 1999 and 2000.<sup>69</sup> In light of the paucity of information on the current record, I base my analysis, in line with 19 U.S.C. 1675a(a)(1)(A), on information from the original investigations. In particular, I find significant the low level of imports from Taiwan during the original investigation. Imports from Taiwan reached 1.32 million pounds in 1992 and 1.35 million pounds in 1993, and that level was only about one-fifth of the cumulated level that the Commission concluded posed a threat to the U.S. industry.<sup>70</sup> Moreover, such imports never demonstrated an ability to increase rapidly their entry into the U.S. market, as their total rate of increase over the two-year period immediately preceding the initiation of the investigation (1991-1992) was only 7.3 percent. Finally, public data indicate that the Taiwan industry is less export-oriented than it was in the period covered by the first five-year reviews. Hence, I conclude that, in the event the order on imports from Taiwan is revoked, the likely volume of such imports will not be significant.

## 2. Likely Price Effects of Subject Imports

In the original investigations, the Commission found that in 48 of 60 possible price comparisons, products from Taiwan were priced below the comparable domestic products by margins ranging from 1.1 to 42.5 percent.<sup>71</sup> The Commission specifically noted, however, that petitioners did not make any lost sales or lost revenues allegations involving Taiwan.<sup>72</sup> In the first five-year reviews, the Commission cited the findings regarding underselling and also noted that subject imports and the domestic like product were highly fungible and that demand for the domestic like product was relatively inelastic, such that even small additional volumes of imports would have a depressing or suppressing effect on domestic prices.<sup>73</sup>

In these reviews, I can draw very few conclusions from the pricing data, as the Commission received no information from producers in Taiwan of stainless steel flanges. Although, as noted above, there is some anecdotal evidence on the record that prices in the domestic market may currently be

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<sup>67</sup> Domestic parties' comments, Aug. 22, 2005, at 4-6.

<sup>68</sup> Capacity utilization of Enlin, a \*\*\* of stainless steel flanges in Taiwan, ranged from \*\*\* percent to \*\*\* percent during the original investigations. CR/PR at table I-12.

<sup>69</sup> CR/PR at table I-12. According to public data, total exports of the subject product from Taiwan were 379,000 pounds in 2003 and 659,000 pounds in 2004. In contrast, total exports of the subject product from Taiwan were 1.45 million pounds in 2000 and 3.37 million pounds in 1999. *Id.*

<sup>70</sup> CR/PR at table I-5.

<sup>71</sup> OCR at I-70; USITC Pub. 2724 at I-19 (Views of the Commission).

<sup>72</sup> OCR at I-81, n.68.

<sup>73</sup> USITC Pub. 3273 at 13-14.

increasing generally, this tells us little about what might happen to prices if the order on Taiwan were revoked.<sup>74</sup> As with my analysis of likely volume effects, given the paucity of data on the record I rely mainly on information from the original investigations. In that regard, I find it significant that, not only was there no evidence of confirmed lost sales or lost revenues to U.S. producers by reason of imports from Taiwan, there were not even any allegations of such lost sales or revenues. Imports from Taiwan predominantly undersold the domestic product during the original investigations, but I note that the underselling margins were relatively low for high-volume products, and those margins declined and generally turned negative by the end of the period examined in the original investigations.<sup>75</sup> Finally, average unit values of imports from Taiwan were consistently higher than those of imports from India and, in virtually all periods, higher than those for non-subject imports.<sup>76</sup>

Consequently, given the fact that a significant volume of imports from Taiwan is not likely to occur upon revocation, combined with significantly different price trends exhibited by imports from Taiwan during the original investigations, I do not find a likelihood of significant negative price effects from the subject imports in the event of revocation of the order. Consequently, I conclude that, if the order on stainless steel flanges from Taiwan were revoked, the volumes of subject imports from Taiwan would not be likely to undersell significantly the domestic product or gain market share, nor would such imports be likely to have significant depressing or suppressing effects on the prices of the domestic like product.

### **3. Likely Impact of Subject Imports**

In the original investigations, the Commission found that most economic and financial indicators of the condition of the U.S. industry were mixed, and thus concluded that although the industry was not then experiencing material injury, it was in a vulnerable condition.<sup>77</sup> In particular, the Commission cited the fact that despite an increase in domestic industry sales toward the end of the period, the operating margins of the industry were declining and overall capital expenditures fell sharply over the three-year period examined.<sup>78</sup> In the first five-year reviews, the Commission noted improvements in the condition of the domestic industry following declines in the volume of subject imports. However, the Commission observed that the financial performance of the industry was still fluctuating noticeably, and was split on whether the industry was still vulnerable.<sup>79</sup>

As noted above in my discussion of the likely impact of subject imports from India, I conclude that the industry's fortunes have probably declined since the industry was last examined during the first five-year reviews. Nevertheless, in light of my findings that revocation of the antidumping order on imports from Taiwan would not be likely to lead to a significant increase in the volume of subject imports that would undersell the domestic like product and significantly suppress or depress U.S. prices, I find that, if the order on imports from Taiwan were revoked, such imports would not be likely to have a significant adverse impact on the production, shipments, sales, market share, and revenues of the

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<sup>74</sup> CR at I-23; PR at I-18.

<sup>75</sup> For instance, for product 1, which was sold in relatively high volumes vis-a-vis the other pricing products, underselling margins for Taiwan in 1991 and 1992 were less than \*\*\* percent in 5 of the 8 quarters (with one quarter of overselling), and in 1993, imports of this product from Taiwan oversold the domestic product exclusively. OCR at table 24.

<sup>76</sup> OCR at C-2, table C-1.

<sup>77</sup> USITC Pub. 2724 at I-11-I-13.

<sup>78</sup> *Id.* at I-13.

<sup>79</sup> USITC Pub. 3273 at 15.

domestic industry. Accordingly, I conclude that, if the order on imports from Taiwan were revoked, subject imports would not be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

### **III. CONCLUSION**

For the foregoing reasons, I determine that revocation of the antidumping duty order on forged stainless steel flanges from India would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. I also determine that revocation of the antidumping duty order on forged stainless steel flanges from Taiwan would not be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.



**INFORMATION OBTAINED IN THE SECOND REVIEWS**



## INTRODUCTION

On July 1, 2005, in accordance with section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> the U.S. International Trade Commission (“Commission” or “USITC”) gave notice that it had instituted reviews to determine whether revocation of the antidumping duty orders on forged stainless steel flanges<sup>2</sup> from India and Taiwan would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.<sup>3 4</sup> On October 4, 2005, the Commission determined that the domestic interested party response to its notice of institution was adequate;<sup>5</sup> the Commission also determined that the respondent interested party response was inadequate.<sup>6</sup> The Commission found no other circumstances that would warrant conducting full reviews.<sup>7</sup> Accordingly, the Commission unanimously determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act.<sup>8 9</sup> The Commission voted on these reviews on December 7, 2005, and notified Commerce of its determinations on December 16, 2005. Selected information relating to the schedule of these current five-year reviews is presented on the following page:<sup>10</sup>

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<sup>1</sup> 19 U.S.C. 1675(c).

<sup>2</sup> All subsequent references to “stainless steel flanges” in this report are for the subject forged product.

<sup>3</sup> 70 FR 38195, July 1, 2005. All interested parties were requested to respond to this notice by submitting the information requested by the Commission. The Commission’s notice of institution is presented in app. A.

<sup>4</sup> In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping duty orders concurrently with the Commission’s notice of institution. 70 FR 38101, July 1, 2005.

<sup>5</sup> The Commission received one submission in response to its notice of institution for the subject reviews. It was filed on behalf of domestic producers Gerlin, Inc. (“Gerlin”) and Maass Flange Corp. (“Maass Flange”). The domestic interested parties are represented by the law firm of Collier Shannon Scott, PLLC. Gerlin and Maass Flange indicated in their response that they accounted for \*\*\* percent of U.S. stainless steel flange production in 2004. *Response* of the domestic interested parties, August 22, 2005, p. 11.

<sup>6</sup> The Commission did not receive any responses to its notice of institution from respondent interested parties.

<sup>7</sup> The Commission’s statement on adequacy is presented in app. B.

<sup>8</sup> 19 U.S.C. § 1675(c)(3).

<sup>9</sup> 70 FR 60558, October 18, 2005. The Commission’s notice of expedited reviews appears in app. A.

<sup>10</sup> Cited *Federal Register* notices beginning with the Commission’s institution of second five-year sunset reviews are presented in app. A.

| Effective date    | Action  | Federal Register citation       |
|-------------------|---|---------------------------------|
| July 1, 2005      | Commission's institution of second five-year reviews                      | 70 FR 38195<br>July 1, 2005     |
| July 1, 2005      | Commerce's initiation of second five-year reviews                         | 70 FR 38101<br>July 1, 2005     |
| October 4, 2005   | Commission's determinations to conduct expedited second five-year reviews | 70 FR 60558<br>October 18, 2005 |
| November 4, 2005  | Commerce's final results of expedited second five-year reviews            | 70 FR 67137<br>November 4, 2005 |
| December 7, 2005  | Commission's vote   | Not applicable                  |
| December 16, 2005 | Commission's determinations transmitted to Commerce                       | Not applicable                  |

### The Original Investigations and Expedited First Five-Year Reviews

On December 31, 1992, a petition was filed with Commerce and the Commission alleging that an industry in the United States was materially injured by reason of less-than-fair-value (“LTFV”) imports of stainless steel flanges from India and Taiwan.<sup>11</sup> On December 29, 1993, Commerce made final affirmative determinations.<sup>12</sup> The Commission completed its original investigations in February 1994, determining that an industry in the United States was threatened with material injury by reason of imports of stainless steel flanges from India and Taiwan that Commerce determined to be sold at LTFV.<sup>13</sup> After receipt of the Commission’s determinations, Commerce issued antidumping duty orders on imports of stainless steel flanges from India and Taiwan.<sup>14</sup>

On December 1, 1999, the Commission instituted the first five-year reviews of the antidumping duty orders<sup>15</sup> and, on March 3, 2000, the Commission determined that it should proceed to expedited reviews.<sup>16</sup> On April 6, 2000, Commerce found that revocation of the antidumping duty orders on stainless

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<sup>11</sup> The petition was filed by Flowline Division, Markovitz Enterprises, Inc. (“Flowline”), New Castle, PA; Gerlin, Carol Stream, IL; Ideal Forging Corp. (“Ideal”), Southington, CT; and Maass Flange, Houston, TX. *Staff Report*, January 18, 1994 (INV-R-010), p. I-3.

<sup>12</sup> 58 FR 68853 (India) and 58 FR 68859 (Taiwan), December 29, 1993.

<sup>13</sup> *Stainless Steel Flanges From India and Taiwan: Investigations Nos. 731-TA-639 and 640 (Final)*, USITC Publication 2724, February 1994, p. I-3. It further determined that it would not have found material injury but for the suspension of liquidation of entries of merchandise under investigation. The Commission indicated that it based its threat analysis on factors that included “the rapid increase in subject imports, falling U.S. prices and consistent underselling by highly substitutable LTFV imports, substantially increasing inventories in the United States of subject imports, and underutilized capacity in the subject countries.” *Ibid.*, p. I-20.

<sup>14</sup> 59 FR 5994 (India) and 59 FR 5995 (Taiwan), February 9, 1994.

<sup>15</sup> 64 FR 67313, December 1, 1999.

<sup>16</sup> The Commission received one submission in response to its notice of institution in the first five-year reviews. It was filed on behalf of the following producers of the domestic like product: Gerlin, Ideal, Maass Flange, and Westbrook Manufacturing (“Westbrook”). These firms were believed to have represented approximately \*\*\* percent of U.S. stainless steel flange production in 1998. The Commission did not receive any responses to its notice of institution from respondent interested parties during the first reviews. In the first five-year reviews, the

(continued...)

steel flanges from India and Taiwan would likely lead to continuation or recurrence of dumping.<sup>17</sup> In July 2000, the Commission completed its expedited first five-year reviews of the antidumping duty orders and determined that revocation of the orders on stainless steel flanges from India and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>18</sup> Subsequently, Commerce issued a continuation of the subject antidumping duty orders.<sup>19</sup>

### **Commerce's Original Determinations and Subsequent Review Determinations**

Since 1994, when the antidumping duty orders were imposed, Commerce has conducted numerous administrative and new shipper reviews with respect to imports of stainless steel flanges from India. No administrative or new shipper reviews have been conducted by Commerce with respect to imports of stainless steel flanges from Taiwan. In addition, Commerce has not conducted any duty absorption reviews on the antidumping duty orders on flanges from India and Taiwan since the original orders. Information on Commerce's final determinations, antidumping duty orders, and administrative, new shipper, and five-year review determinations is presented in table I-1. An alternate presentation of antidumping duty margins found by Commerce with respect to individual Indian firms appears in table I-2.

### **Commerce's Final Results of Expedited Second Five-Year Reviews**

On August 22, 2005, Commerce notified the Commission that it was conducting expedited reviews with respect to forged stainless steel flanges from India and Taiwan based on an adequate substantive response filed on behalf of domestic interested parties and no responses from respondent interested parties.<sup>20</sup> It published the final results of these reviews based on the facts available on November 4, 2005.<sup>21</sup> In its final results, Commerce found that revocation of the antidumping duty orders on flanges from India and Taiwan would likely lead to continuation or recurrence of dumping at margins determined in its original final determinations (see table I-1).<sup>22</sup>

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<sup>16</sup> (...continued)

Commission determined that the domestic interested party responses to its notice of institution were adequate and that the respondent interested party responses were inadequate. It found no other circumstances that would warrant conducting full reviews. *Staff Report*, June 21, 2000 (INV-X-138), p. I-3.

<sup>17</sup> 65 FR 18058, April 6, 2000.

<sup>18</sup> 65 FR 47517, August 2, 2000; *Forged Stainless Steel Flanges From India and Taiwan, Investigation Nos. 731-TA-639 and 640 (Review)*, USITC Publication 3329, July 2000, p. 1.

<sup>19</sup> 65 FR 49964, August 16, 2000.

<sup>20</sup> *Letter from Susan Kuhbach, Director, Office I, AD/CVD Operations, Import Administration, U.S. Department of Commerce*, August 22, 2005.

<sup>21</sup> 70 FR 67137, November 4, 2005. Commerce's expedited second reviews covered imports from all manufacturers and exporters of flanges from India and Taiwan except for Viraj, for which the order on flanges from India was revoked.

<sup>22</sup> Commerce explained that it selected the margins from its original final determinations because those are the only calculated rates that reflect the behavior of producers and exporters without the discipline of the orders. *Issues and Decision Memorandum for Sunset Reviews of the Antidumping Duty Orders on Forged Stainless Steel Flanges from India and Taiwan; Final Results*, International Trade Administration, Department of Commerce, October 31, 2005, p. 6.

**Table I-1**  
**Stainless steel flanges: Commerce's final determinations, antidumping duty orders, and administrative, new shipper, and five-year review determinations**

| Action   | Date of action | Federal Register citation | Period of review      | Antidumping duty margins  |              |
|--|----------------|---------------------------|-----------------------|---|--------------|
|  |                |                           |                       | Firm specific   | Country-wide |
|  |                |                           |                       | Percent ad valorem  |              |
| <b>India</b>   |                |                           |                       |   |              |
| Final determination                                    | 12/29/1993     | 58 FR 68853               | 07/01/1992-12/31/1992 | 210.00 <sup>1</sup><br>19.74 <sup>2</sup>   | 162.44       |
| Amended final determination and antidumping duty order | 02/09/1994     | 59 FR 5994                | 07/01/1992-12/31/1992 | 18.56 <sup>2</sup>  | 162.14       |
| Administrative review                                  | 10/01/1996     | 61 FR 51263               | 02/09/1994-01/31/1995 | 2.56 <sup>2</sup>   | --           |
| New shipper review                                     | 01/09/1997     | 62 FR 1317                | 03/01/1995-08/31/1995 | 0.00 <sup>3</sup>   | --           |
| New shipper review                                     | 03/04/1997     | 62 FR 9735                | 09/01/1995-02/29/1996 | 0.00 <sup>4</sup><br>1.61 <sup>5</sup>  | --           |
| New shipper review                                     | 05/11/1998     | 63 FR 25824               | 02/01/1996-01/31/1997 | 0.00 <sup>6</sup>   | --           |
| Final results of expedited first five-year review      | 04/06/2000     | 65 FR 18058               | --                    | 210.00 <sup>1</sup><br>18.56 <sup>2</sup>   | 162.14       |
| Continuation of order                                  | 08/16/2000     | 65 FR 49964               | --                    | 210.00 <sup>1</sup><br>2.56 <sup>2</sup>  | 162.14       |
| New shipper review                                     | 02/23/2001     | 66 FR 11258               | 08/01/1998-07/31/1999 | 4.08 <sup>7</sup>   | --           |
| Administrative review                                  | 09/19/2001     | 66 FR 48245               | 02/01/1999-01/31/2000 | 21.10 <sup>3</sup><br>6.76 <sup>4</sup><br>210.00 <sup>5</sup><br>61.31 <sup>6</sup><br>0.00 <sup>8</sup> | --           |
| Administrative review                                  | 10/07/2002     | 67 FR 62439               | 02/01/2000-01/31/2001 | 0.00 <sup>3</sup><br>0.00 <sup>4</sup><br>210.00 <sup>5</sup><br>210.00 <sup>6</sup>                      | --           |
| New shipper review                                     | 01/03/2003     | 68 FR 351                 | 01/01/2001-07/31/2001 | 0.00 <sup>9</sup>   | --           |
| Administrative review                                  | 07/16/2003     | 68 FR 42005               | 02/01/2001-01/31/2002 | 0.00 <sup>3</sup><br>20.08 <sup>8</sup> <sup>10</sup><br>210.00 <sup>11</sup>                             | --           |

Table continued on following page.

**Table I-1--Continued**

**Stainless steel flanges: Commerce's final determinations, antidumping duty orders, and administrative, new shipper, and five-year review determinations**

| Action   | Date of action | Federal Register citation | Period of review      | Antidumping duty margins   |              |
|--|----------------|---------------------------|-----------------------|--|--------------|
|  |                |                           |                       | Firm specific  | Country-wide |
|  |                |                           |                       | Percent ad valorem   |              |
| <b>India--Continued</b>  |                |                           |                       |  |              |
| Administrative review  | 03/05/2004     | 69 FR 10409               | 02/01/2002-01/31/2003 | 0.04 ( <i>de minimis</i> ) <sup>3</sup><br>0.00 <sup>4</sup><br>0.00 <sup>12</sup> | --           |
| Administrative review and revocation in part   | 07/12/2005     | 70 FR 39997               | 02/01/2003-01/31/2004 | 0.01 <sup>3</sup><br>0.03 <sup>8</sup>   | --           |
| New shipper review   | 10/28/2005     | 70 FR 62094               | 02/01/2004-07/31/2004 | 0.89 <sup>13</sup>   | --           |
| Final results of expedited second five-year review   | 11/04/2005     | 70 FR 67137               | --                    | 210.00 <sup>1</sup><br>18.56 <sup>2</sup>  | 162.14       |
| <b>Taiwan</b>  |                |                           |                       |  |              |
| Final determination  | 12/29/1993     | 58 FR 68859               | 07/01/1992-12/31/1992 | 48.00 <sup>14</sup>  | 48.00        |
| Antidumping duty order   | 02/09/1994     | 59 FR 5995                | --                    | 48.00 <sup>14</sup>  | 48.00        |
| Final results of expedited first five-year review  | 04/06/2000     | 65 FR 18058               | --                    | 48.00 <sup>14</sup>  | 48.00        |
| Continuation of order  | 08/16/2000     | 65 FR 49964               | --                    | 48.00 <sup>14</sup>  | 48.00        |
| Final results of expedited second five-year review   | 11/04/2005     | 70 FR 67137               | --                    | 48.00 <sup>14</sup>  | 48.00        |
| <p><sup>1</sup> Mukand Ltd. ("Mukand"), Sunstar Metals Ltd. ("Sunstar"), Bombay Forgings Pvt. Ltd. ("Bombay"), and Dynaforge.</p> <p><sup>2</sup> Akai Impex, Ltd. ("Akai").</p> <p><sup>3</sup> Viraj Forgings Ltd. ("Viraj"), a manufacturer/exporter. Because Viraj had not sold the subject merchandise at LTFV for at least three consecutive periods of review, effective July 12, 2005, Commerce revoked the order with respect to merchandise produced and exported by Viraj. On that date, Commerce announced that it was terminating the suspension of liquidation of such merchandise that was entered, or withdrawn from warehouse, for consumption on or after February 1, 2004, and instructed U.S. Customs and Border Protection to refund any cash deposits for such entries.</p> <p><sup>4</sup> Isibars Ltd. ("Isibars"), a manufacturer/exporter.</p> <p><sup>5</sup> Patheja Forgings and Auto Parts Ltd. ("Patheja"), a manufacturer/exporter.</p> <p><sup>6</sup> Panchmahal Steel Ltd. ("Panchmahal"), a manufacturer/exporter.</p> <p><sup>7</sup> Bhansali Ferromet Pvt. Ltd. ("Bhansali"), a manufacturer/exporter.</p> <p><sup>8</sup> Echjay Forgings Ltd. ("Echjay"), a manufacturer/exporter.</p> <p><sup>9</sup> Metal Forgings Pvt. Ltd. ("Metal Forgings"), a manufacturer/exporter.</p> <p><sup>10</sup> Pushpaman Exports ("Pushpaman").</p> <p><sup>11</sup> Snowdrop Trading Pvt. Ltd. ("Snowdrop").</p> <p><sup>12</sup> Chandan Steel Ltd. ("Chandan").</p> <p><sup>13</sup> Hilton Forge ("Hilton"), a manufacturer/exporter.</p> <p><sup>14</sup> Enlin Steel Corp., Ta Chen Stainless Pipe Co., and Tay Precision Industries Co.</p> |                |                           |                       |  |              |
| Source: Cited <i>Federal Register</i> notices.   |                |                           |                       |  |              |

**Table I-2**  
**Stainless steel flanges: Antidumping duty margins with respect to Indian firms<sup>1 2</sup>**

| Company         | Antidumping duty margins by month and year of action |        |       |      |      |      |      |        |        |      |        |      |                   |       |
|-----------------|--|--------|-------|------|------|------|------|--------|--------|------|--------|------|-------------------|-------|
|                 | 12/93  | 2/94   | 10/96 | 1/97 | 3/97 | 5/98 | 2/01 | 9/01   | 10/02  | 1/03 | 7/03   | 3/04 | 7/05              | 10/05 |
| Mukand          | 210.00   |        |       |      |      |      |      |        |        |      |        |      |                   |       |
| Sunstar         | 210.00   |        |       |      |      |      |      |        |        |      |        |      |                   |       |
| Bombay          | 210.00   |        |       |      |      |      |      |        |        |      |        |      |                   |       |
| Dynaforge       | 210.00   |        |       |      |      |      |      |        |        |      |        |      |                   |       |
| Akai            | 19.74  | 18.56  | 2.56  |      |      |      |      |        |        |      |        |      |                   |       |
| Viraj (revoked) |  |        |       | 0.00 |      |      |      | 21.10  | 0.00   |      | 0.00   | 0.04 | 0.01 <sup>3</sup> |       |
| Isibars         |  |        |       |      | 0.00 |      |      | 6.76   | 0.00   |      |        | 0.00 |                   |       |
| Patheja         |  |        |       |      | 1.61 |      |      | 210.00 | 210.00 |      |        |      |                   |       |
| Panchmahal      |  |        |       |      |      | 0.00 |      | 61.31  | 210.00 |      |        |      |                   |       |
| Bhansali        |  |        |       |      |      |      | 4.08 |        |        |      |        |      |                   |       |
| Echjay          |  |        |       |      |      |      |      | 0.00   |        |      | 20.08  |      | 0.03              |       |
| Metal Forgings  |  |        |       |      |      |      |      |        |        | 0.00 |        |      |                   |       |
| Pushpaman       |  |        |       |      |      |      |      |        |        |      | 20.08  |      |                   |       |
| Snowdrop        |  |        |       |      |      |      |      |        |        |      | 210.00 |      |                   |       |
| Chandan         |  |        |       |      |      |      |      |        |        |      |        | 0.00 |                   |       |
| Hilton          |  |        |       |      |      |      |      |        |        |      |        |      |                   | 0.89  |
| All others      | 162.44   | 162.14 |       |      |      |      |      |        |        |      |        |      |                   |       |

<sup>1</sup> The most recent margins for each firm are highlighted by shading.

<sup>2</sup> Commerce's final results of its first and second expedited five-year reviews (65 FR 18058, April 6, 2000 and 70 FR 67137, November 4, 2005) and its continuation orders in the first reviews (65 FR 49964, August 16, 2000) are not included in this table. In these affirmative final results and continuation orders, Commerce selected margins from the final determinations of the original investigations because those are the only calculated rates that reflect the behavior of producers and exporters without the discipline of the orders. These margins are presented separately in table I-1.

<sup>3</sup> Because Viraj had not sold the subject merchandise at LTFV for at least three consecutive periods of review, effective July 12, 2005, Commerce revoked the order with respect to merchandise produced and exported by Viraj. On that date, Commerce announced that it was terminating the suspension of liquidation of such merchandise that was entered, or withdrawn from warehouse, for consumption on or after February 1, 2004, and instructed U.S. Customs and Border Protection to refund any cash deposits for such entries.

Source: Table I-1.

In its final results, Commerce explains that it “normally determines that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of an order and import volumes for the subject merchandise declined significantly.”<sup>23</sup> With respect to the subject reviews, it further noted that “{t}he records of the orders show that dumping has persisted since the issuance of the orders on flanges from India and Taiwan” and that “the mere continuation of dumping at above *de minimis* levels by Indian and {Taiwan} producers and exporters warrants the continuation of the orders. . .”<sup>24</sup> It also noted that the volume of U.S. imports from Taiwan continued well below pre-order levels, while the volume of U.S. imports from India fell substantially following the issuance of the order but rose in more recent years.<sup>25</sup>

### **Distribution of Continued Dumping and Subsidy Offset Funds to Affected Domestic Producers**

Since September 21, 2001, qualified U.S. producers of stainless steel flanges have been eligible to receive disbursements from the U.S. Customs and Border Protection (“Customs”) under the Continued Dumping and Subsidy Offset Act of 2000 (“CDSOA”), also known as the Byrd Amendment.<sup>26</sup> Four firms (Flowline, Gerlin, Ideal, and Maass Flange) received such funds in 2001. Thereafter, Maass Flange and Gerlin received the bulk of available funds, while Flowline received one percent or less. Table I-3 presents CDSOA claims and disbursements for federal fiscal years 2001-04.

### **Related Commission Investigations**

The Commission has conducted no other antidumping or countervailing duty investigations on stainless steel flanges. However, the Commission has conducted several investigations and reviews on other related stainless steel products.

Following a petition filed in 1987 by Flowline, the Commission conducted an antidumping investigation on stainless steel butt-weld pipe fittings<sup>27</sup> from Japan. In March 1988, the Commission made final affirmative determinations with respect to Japan,<sup>28</sup> resulting in the issuance of an antidumping duty order by Commerce.<sup>29</sup> Following a petition filed by Flowline in 1992, the Commission conducted antidumping investigations on stainless steel butt-weld pipe fittings from Korea and Taiwan. In 1993, the Commission made final affirmative determinations with respect to Korea and Taiwan,<sup>30</sup> resulting in

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<sup>23</sup> Ibid., p. 5.

<sup>24</sup> Ibid.

<sup>25</sup> Ibid.

<sup>26</sup> 19 CFR 159.64(g).

<sup>27</sup> Pipe fittings are generally used to join pipe sections where conditions require permanent, welded connections, whereas flanges are used to connect pipe sections at points at which the ability to disconnect and reconnect the sections is crucial.

<sup>28</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Japan, Inv. No. 731-TA-376 (Final)*, USITC Publication 2067, March 1988.

<sup>29</sup> 53 FR 9787, March 25, 1988.

<sup>30</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Korea, Inv. No. 731-TA-563 (Final)*, USITC Publication 2601, February 1993. *Certain Stainless Steel Butt-Weld Pipe Fittings from Taiwan, Inv. No. 731-TA-564 (Final)*, USITC Publication 2641, June 1993.

**Table I-3**  
**Stainless steel flanges: CDSOA claims and disbursements, federal fiscal years 2001-04<sup>1 2</sup>**

| Year                  | Order                 | Claimant             | Share of yearly allocation | Certification amount <sup>3</sup> | Amount disbursed |       |
|-----------------------|-----------------------|----------------------|----------------------------|-----------------------------------|------------------|-------|
|                       |                       |                      | <i>Percent</i>             | <i>Dollars</i>                    |                  |       |
| 2001                  | A-533-809<br>(India)  | Flowline             | 0.72                       | 793,812.00                        | 0.00             |       |
|                       |                       | Gerlin               | 24.98                      | 27,449,396.00                     | 0.00             |       |
|                       |                       | Ideal                | 21.82                      | 23,975,822.00                     | 0.00             |       |
|                       |                       | Maass Flange         | 52.48                      | 57,658,965.00                     | 0.00             |       |
|                       |                       | Subtotal             |                            | 109,877,995.00                    | 0.00             |       |
|                       | A-583-821<br>(Taiwan) | Flowline             | 0.72                       | 793,812.00                        | 23.45            |       |
|                       |                       | Gerlin               | 24.98                      | 27,449,396.00                     | 810.73           |       |
|                       |                       | Ideal                | 21.82                      | 23,975,822.00                     | 708.13           |       |
|                       |                       | Maass Flange         | 52.48                      | 57,658,965.00                     | 1,702.98         |       |
|                       |                       | Subtotal             |                            | 109,877,995.00                    | 3,245.29         |       |
| 2002                  | A-533-809<br>(India)  | Flowline             | 0.88                       | 807,848.00                        | 129.48           |       |
|                       |                       | Gerlin               | 31.69                      | 29,070,643.00                     | 4,659.35         |       |
|                       |                       | Maass Flange         | 67.43                      | 61,861,338.00                     | 9,914.93         |       |
|                       |                       | Subtotal             |                            | 91,739,829.00                     | 14,703.76        |       |
|                       | A-583-821<br>(Taiwan) | Flowline             | 0.88                       | 807,824.55                        | 0.00             |       |
|                       |                       | Gerlin               | 31.69                      | 29,069,832.27                     | 0.00             |       |
|                       |                       | Maass Flange         | 67.43                      | 61,859,635.02                     | 0.00             |       |
|                       |                       | Subtotal             |                            | 91,737,291.84                     | 0.00             |       |
|                       | 2003                  | A-533-809<br>(India) | Flowline                   | 1.00                              | 1,031,644.00     | 2.88  |
|                       |                       |                      | Gerlin                     | 30.21                             | 31,267,239.00    | 87.36 |
| Maass Flange          |                       |                      | 68.79                      | 71,204,084.00                     | 198.95           |       |
| Subtotal              |                       |                      |                            | 103,502,967.00                    | 289.20           |       |
| A-583-821<br>(Taiwan) |                       | Flowline             | 1.00                       | 1,031,749.55                      | 185.52           |       |
|                       |                       | Gerlin               | 30.21                      | 31,271,087.00                     | 5,622.83         |       |
|                       |                       | Maass Flange         | 68.79                      | 71,212,296.00                     | 12,804.62        |       |
|                       |                       | Subtotal             |                            | 103,515,132.55                    | 18,612.96        |       |

Table continued on following page.

**Table I-3--Continued**

**Stainless steel flanges: CDSOA claims and disbursements, federal fiscal years 2001-04<sup>1 2</sup>**

| Year | Order                 | Claimant     | Share of yearly allocation | Certification amount <sup>3</sup> | Amount disbursed |
|------|-----------------------|--------------|----------------------------|-----------------------------------|------------------|
|      |                       |              | Percent                    | Dollars                           |                  |
| 2004 | A-533-809<br>(India)  | Flowline     | 0.92                       | 1,043,415.00                      | 1,125.18         |
|      |                       | Gerlin       | 29.49                      | 33,595,932.00                     | 36,228.69        |
|      |                       | Maass Flange | 69.60                      | 79,288,693.00                     | 85,502.19        |
|      |                       | Subtotal     |                            | 113,928,040.00                    | 122,856.06       |
|      | A-583-821<br>(Taiwan) | Flowline     | 0.92                       | 1,043,338.00                      | 261.41           |
|      |                       | Gerlin       | 29.49                      | 33,594,245.00                     | 8,417.03         |
|      |                       | Maass Flange | 69.60                      | 79,284,299.00                     | 19,864.67        |
|      |                       | Subtotal     |                            | 113,921,882.00                    | 28,543.11        |

<sup>1</sup> The Federal fiscal year is October 1-September 30.

<sup>2</sup> Fiscal year 2005 preliminary CDSOA amounts available to disburse as of April 30, 2005 are \$16,412.87 (India) and \$455.52 (Taiwan). Customs notes that liquidations, reliquidations, protests, and other events affecting entries may take place before the fiscal year end, causing the final amounts available for disbursement to be higher or lower than the preliminary amounts.

<sup>3</sup> Qualifying expenditures incurred by domestic producers since the issuance of an order.

Source: Customs' *CDSOA Annual Reports 2001-04* and *FY 2005 Preliminary CDSOA Amounts Available as of 4/30/05*, found at [http://www.cbp.gov/xp/cgov/import/add\\_cvd/cont\\_dump/](http://www.cbp.gov/xp/cgov/import/add_cvd/cont_dump/).

the issuance of antidumping duty orders by Commerce.<sup>31</sup> On July 1, 1999, the Commission instituted its initial reviews of the outstanding orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan.<sup>32</sup> Following expedited reviews, on February 22, 2000, the Commission made affirmative determinations,<sup>33</sup> and the orders were continued.<sup>34</sup> On February 2, 2005, the Commission instituted its second five-year reviews of the outstanding orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan.<sup>35</sup> Following expedited reviews, on September 29, 2005, the Commission made affirmative determinations,<sup>36</sup> and the orders were once again continued.<sup>37</sup> The Commission is scheduled to review these orders again beginning in September 2010.

<sup>31</sup> 58 FR 11029, February 23, 1993 (Korea) and 58 FR 33250, June 16, 1993 (Taiwan).

<sup>32</sup> 64 FR 35691, July 1, 1999.

<sup>33</sup> 65 FR 9298, February 24, 2000. *See also Stainless Steel Butt-Weld Pipe Fittings from Japan, Korea, and Taiwan, Inv. Nos. 731-TA-376, 563, 564 (Review)*, USITC Publication 3280, February 2000 (Commissioner Askey dissenting with respect to stainless steel butt-weld pipe fittings from Korea).

<sup>34</sup> 65 FR 11766, March 6, 2000.

<sup>35</sup> 70 FR 5478, February 2, 2005.

<sup>36</sup> 70 FR 58748, October 7, 2005. *See also Stainless Steel Butt-Weld Pipe Fittings from Japan, Korea, and Taiwan, Inv. Nos. 731-TA-376, 563, and 564 (Second Review)*, USITC Publication 3801, September 2005.

<sup>37</sup> 70 FR 61119, October 20, 2005.

Following a petition filed on August 2, 1993, by two U.S. producers,<sup>38</sup> the Commission conducted an antidumping investigation on certain stainless steel threaded pipe fittings<sup>39</sup> from Taiwan. On September 13, 1993, the Commission made a preliminary affirmative determination; however, on July 22, 1994, the petitioners withdrew their petition and requested termination of the antidumping investigation. Subsequently, Commerce and the Commission terminated their investigations.<sup>40</sup>

Following a petition filed on December 29, 1999, by three U.S. producers,<sup>41</sup> the Commission conducted antidumping investigations on certain stainless steel butt-weld pipe fittings from Germany, Italy, Malaysia, and the Philippines. On November 29, 2000, the Commission determined that imports of stainless steel butt-weld pipe fittings from Germany “were negligible for purposes of the Commission’s analysis of material injury by reason of imports of certain stainless steel butt-weld pipe fittings from Germany but that there is a potential that such imports will imminently account for more than three percent of total imports.” The Commission also determined that an industry in the United States was not threatened with material injury by reason of imports of certain stainless steel butt-weld pipe fittings from Germany that have been found by Commerce to be sold in the United States at LTFV.<sup>42</sup> On January 29, 2001, the Commission made affirmative determinations with respect to imports of stainless steel butt-weld pipe fittings from Italy, Malaysia, and the Philippines.<sup>43</sup> The Commission is scheduled to review these orders beginning in January 2006.

Following receipt of a request from the Office of the United States Trade Representative (“USTR”) on June 22, 2001, the Commission instituted investigation No. TA-201-73, *Steel*, under section 202 of the Trade Act of 1974<sup>44</sup> to determine whether certain steel products, including certain stainless steel fittings and flanges, were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industries producing articles like or directly competitive with the imported article.<sup>45</sup> On July 26, 2001, the Commission received a resolution adopted by the Committee on Finance of the United States Senate requesting that the Commission investigate certain steel imports under section 201 of the Trade Act of 1974.<sup>46</sup> Consistent with the Senate Finance Committee’s resolution, the Commission consolidated the investigation requested by the Committee with the Commission’s previously instituted investigation No. TA-201-73.<sup>47</sup> On December 20, 2001, the Commission issued its determinations and remedy recommendations. The

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<sup>38</sup> The petition was filed by Capitol Manufacturing Co. and Alloy Stainless Products Co.

<sup>39</sup> Stainless steel threaded pipe fittings (including elbows, tees, crosses, couplings, unions, and caps) provide non-permanent connections in piping systems that require resistance to corrosion, extreme temperatures, and contamination.

<sup>40</sup> 59 FR 39576, August 3, 1994 (Commission’s notice of termination); 59 FR 40865, August 10, 1994 (Commerce’s notice of termination). *See also Class 150 Stainless Steel Threaded Pipe Fittings from Taiwan, Inv. No. 731-TA-658 (Preliminary)*, USITC Publication 2678, September 1993.

<sup>41</sup> The petitioners were Flowline, Gerlin, and Taylor Forge Stainless, Inc. (“Taylor Forge”).

<sup>42</sup> 65 FR 75955, December 5, 2000. *See also Certain Stainless Steel Butt-Weld Pipe Fittings from Germany, Inv. No. 731-TA-864 (Final)*, USITC Publication 3372, November 2000, p. 1.

<sup>43</sup> 66 FR 8981, February 5, 2001. *See also Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Inv. Nos. 731-TA-865-867 (Final)*, USITC Publication 3387, January 2001, p. 1.

<sup>44</sup> 19 U.S.C. § 2252.

<sup>45</sup> 66 FR 35267, July 3, 2001.

<sup>46</sup> 19 U.S.C. § 2251.

<sup>47</sup> 66 FR 44158, August 22, 2001.

Commission was equally divided with respect to stainless steel fittings and flanges.<sup>48</sup> Because the President ultimately accepted the negative determination of Vice Chairman Okun and Commissioners Miller and Hillman as the Commission's determination, no safeguard measure was imposed on imports of stainless steel flanges or stainless steel fittings.

## THE PRODUCT

### Scope

According to Commerce's continuation order concerning stainless steel flanges from India and Taiwan, the scope of the subject merchandise is as follows:

forged stainless steel flanges ("flanges"), both finished and unfinished, generally manufactured to specification ASTM A-182, and made in alloys such as 304, 304L, 316, and 316L. The scope includes five general types of flanges. They are weld neck, used for butt-weld line connection; threaded, used for threaded line connections; slip-on and lap joint, used with stub-ends/butt-weld line connections; socket weld, used to fit pipe into a machined recession; and blind, used to seal off a line. The sizes of the flanges within the scope range generally from one to six inches; however, all sizes of the above-described merchandise are included in the scope. Specifically excluded from the scope of this order are cast stainless steel flanges. Cast stainless steel flanges generally are manufactured to specification ASTM A-351.<sup>49</sup>

### U.S. Tariff Treatment

The merchandise under review is currently classifiable under Harmonized Tariff Schedule of the United States ("HTS") subheadings 7307.21.10 ("stainless steel flanges, not machined, not tooled and not otherwise processed after forging") and 7307.21.50 ("stainless steel flanges, other" (i.e., finished stainless steel flanges)).<sup>50</sup> Goods entering the United States under HTS subheadings 7307.21.10 and 7307.21.50 are dutiable at column 1-general rates of 3.3 percent and 5.6 percent *ad valorem*, respectively.

### Domestic Like Product and Domestic Industry

In its original investigations, the Commission defined the domestic like product as stainless steel flanges, both finished and unfinished.<sup>51</sup> It also found the relevant domestic industry to consist of

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<sup>48</sup> 66 FR 67304, December 28, 2001.

<sup>49</sup> 65 FR 49964, August 16, 2000.

<sup>50</sup> The HTS classification is provided for convenience and Customs purposes; the written description of the scope is dispositive.

<sup>51</sup> *Stainless Steel Flanges from India and Taiwan, Inv. Nos. 731-TA-639 and 640 (Final)*, USITC Publication 2724, February 1994, pp. I-6 through I-8. As referenced in its final original views, the Commission, using the five factors of the semi-finished product analysis, found in its preliminary determinations that "the processing costs incurred in transforming the forging into a finished flange average less than the cost of producing the forging; forgings and the finished flanges are not interchangeable in use, because of the necessity for further processing; when the hot bar is forged into shape it is dedicated for manufacture as a finished flange; the forging has virtually no independent use other than further processing into a finished flange; the market for the forging is limited to

(continued...)

producers of forgings and finished stainless steel flanges, consisting of both forger/finishers and converters.<sup>52</sup> The Commission excluded one domestic producer, Flow Components, from the domestic industry under the related parties provision.<sup>53</sup>

In its expedited five-year review determinations, the Commission noted that none of the parties objected to the Commission's original domestic like production definition and no new information had been obtained during the first five-year reviews that would suggest the Commission change its definition of the domestic like product. Therefore, the Commission defined the domestic like product as stainless steel flanges, co-extensive with Commerce's scope.<sup>54</sup> The Commission defined the domestic industry in the same manner as in the original investigations: all domestic producers of stainless steel flanges, including both integrated producers (forgers/finishers) and converters.<sup>55</sup>

The domestic interested parties indicated in their response to the Commission's notice of institution in these current reviews that they agree with the Commission's first review definitions of the domestic like product and domestic industry.<sup>56</sup>

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<sup>51</sup> (...continued)

converters who purchase this intermediate product for the express purpose of conducting the finishing process, and thus there is no independent end- or other-use market for forgings; and finally, two of the most essential characteristics of the finished product – their metallurgy and shape which largely determine the resulting mechanical qualities – are present in both the forging and finished flange.” Ibid., pp. 1-7 and I-8. The Commission added in its final original views that “{t}he existence of common essential characteristics between the forging and the finished flange is further confirmed by the fact that a forging is dedicated to use as the exact same size finished flange. More than 97 percent of forgings are manufactured into finished flanges, confirming the absence of any significant independent uses or markets. Furthermore, the costs of processing the forging into the finished flange may vary, but average less than the cost of producing the forging.” Ibid., p. I-7.

<sup>52</sup> Ibid., p. I-8. The Commission noted that forger/finishers begin with a piece of stainless bar as their raw material and perform forging, machining, and finishing operations. Converters purchase forgings and perform significant machining and finishing operations.

<sup>53</sup> The Commission found that Flow Components was a related party since it had been an importer of record of subject merchandise from India and from Taiwan. It further determined that appropriate circumstances existed to exclude Flow Components from the domestic industry, stating that there was evidence that Flow Components benefitted from the LTFV imports and that inclusion of its financial data would skew the data for the domestic industry. Ibid., pp. I-10 and I-11.

<sup>54</sup> *Stainless Steel Flanges from India and Taiwan, Inv. Nos. 731-TA-639 and 640 (Review)*, USITC Publication 3329, July 2000, pp. I-4 through I-5.

<sup>55</sup> In its expedited first five-year reviews, the Commission did not exclude any related parties in its domestic industry finding. Ibid., p. I-5.

<sup>56</sup> *Response of the domestic interested parties*, August 22, 2005, p. 12.

## Description and Uses<sup>57</sup>

The subject products are forged stainless steel flanges, both finished and unfinished. Unfinished stainless steel flanges are forgings<sup>58</sup> that are then processed into finished stainless steel flanges. Virtually all stainless steel flange forgings are destined to be made into finished flanges.<sup>59</sup> Finished stainless steel flanges are used to connect stainless steel pipe sections and piping system components, such as pumps, valves, tanks, gauges, etc., at points where conditions require a connect-and-disconnect capability.<sup>60</sup> A typical piping system flange assembly consists of two finished flanges, each of which is attached to a piece of pipe or a pipe fitting, bolted together. To prevent leakage, a gasket is placed between the flanges. Flanges of stainless steel<sup>61</sup> are used where one or more of the following conditions is a factor in designing the piping system: (1) corrosion resistance; (2) contamination prevention; (3) high temperatures (in excess of 300 degrees Fahrenheit); (4) extreme low temperatures; and/or (5) pressure containment.

Forged stainless steel flanges are manufactured in several types and sizes for various pressure and temperature applications. Blind flanges are used to seal off a line; lap-joint and slip-on flanges are used with stub-end fittings<sup>62</sup> in butt-welded<sup>63</sup> pipe connections; socket-weld flanges allow a pipe to fit inside a machined recession (socket) of a flange prior to welding; threaded flanges allow for a threaded pipeline connection; and weld-neck flanges allow for a butt-weld pipeline connection. Stainless steel flanges commonly range from 1 to 12 inches in nominal pipe size and have bolt holes and a mating surface to accommodate gaskets for sealing. The mating surface may be machined smooth for metallic, teflon, or rubber type gaskets, or finished with concentric grooves to accommodate fiber-type gasket materials.

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<sup>57</sup> The discussion in this section is based on information from the Commission's original investigations and/or first reviews. *Staff Report*, January 18, 1994 (INV-R-010), pp. I-5 through I-8, I-12, and I-62, and *Staff Report*, June 21, 2000 (INV-X-138), pp. I-6 through I-8.

<sup>58</sup> A forging is a metal part that has been heated and formed by hammering or pressing into a predetermined shape between a set of dies.

<sup>59</sup> A limited number of forgings, however, may be manufactured into flange-like products, which differ from products identified in Commerce's scope.

<sup>60</sup> The primary uses for finished flanges are in "process" operations such as those in chemical plants, petrochemical plants, pharmaceutical plants, food-processing facilities, breweries, cryogenic plants, waste-treatment facilities, pulp and paper production facilities, gas-processing (gas-separation) facilities, and commercial nuclear power plants and nuclear Navy applications.

<sup>61</sup> For tariff purposes, the term "stainless steel" includes by definition all grades of steel containing 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements.

<sup>62</sup> Stub-end fittings are welded to a piece of pipe but are used with a flange. The stub-end and flange combination permits quick connection with other pipes having stub-end fittings and flanges when periodic changes of pipes are required or where on-site welding would be difficult.

<sup>63</sup> Butt-weld pipe fittings are used to join pipe sections where conditions require permanent, welded connections, whereas flanges are used to connect pipe sections at points at which the ability to disconnect and reconnect the sections is crucial. The beveled edges of butt-weld fittings distinguish them from other types of pipe fittings, such as threaded, grooved, or bolted fittings, which rely on different fastening methods.

## Manufacturing Process<sup>64</sup>

The domestic manufacturing sector consists of both integrated producers (forger/finishers) and converters. Forger/finishers begin with a piece of stainless bar or billet as their raw material<sup>65</sup> and perform forging, machining, and finishing operations. Converters purchase flange forgings and perform machining and finishing operations.<sup>66 67</sup> According to industry officials in the original investigations, little difference exists between the production techniques and machinery used by domestic and foreign producers because of the global diffusion of technology and forming methods.

## Substitute Products<sup>68</sup>

There are no practical substitutes for forged stainless steel flanges. The type of fluid being conveyed (e.g., corrosive or contaminated liquids) and/or the piping system's operating pressure limit the use of flanges produced from other materials. Carbon and other alloy steel flanges do not meet temperature and corrosion-resistance requirements, stainless steel plate flanges do not meet pressure requirements, and plastic flanges would not be used in high-pressure or high-heat applications. Threaded pipe fittings cannot endure the frequent pipeline connect and disconnect operations demanded of stainless steel flanges.

## Interchangeability<sup>69</sup>

Stainless steel flanges are manufactured from stainless steel alloy grades 304, 304L, 316, and 316L.<sup>70</sup> The product must meet particular specifications regarding raw material usage, tolerances, and

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<sup>64</sup> Except as noted, the discussion in this section is based on information from the Commission's original investigations. *Staff Report*, January 18, 1994 (INV-R-010), pp. I-8 through I-12.

<sup>65</sup> During 2000, monthly U.S. spot prices for 304/304L grade stainless steel hot-rolled bar increased from \$1,873 per ton in January to \$2,203 per ton in May, but fell to \$1,827 per ton in December. During 2001 and 2002, monthly U.S. spot prices remained at relatively low levels, averaging \$1,726 per ton. Since that time, monthly U.S. spot prices have generally increased. Reported U.S. monthly spot prices were \$1,742 per ton in January 2003, \$1,995 in January 2004, \$2,708 in January 2005, and \$2,798 in October 2005. *Purchasing Magazine Steel Transaction Price Report*.

<sup>66</sup> For a more detailed description of the production process, see *Staff Report*, January 18, 1994 (INV-R-010), pp. I-8 through I-11.

<sup>67</sup> Flow Components (a converter) indicated in the Commission's original investigations that the cost of processing an unfinished flange into a finished flange ranges from 15 to 50 percent of the cost of the finished flange; whereas petitioners stated that the average cost of finishing an unfinished flange is much closer to the lower end of the range, falling between \*\*\* and \*\*\* percent of the total cost of the finished flange.

<sup>68</sup> The discussion in this section is based on information from the Commission's original investigations. *Staff Report*, January 18, 1994 (INV-R-010), p. I-12.

<sup>69</sup> The discussion in this section is based on information from the Commission's original investigations, unless otherwise noted. *Staff Report*, January 18, 1994 (INV-R-010), pp. I-8 through I-12 and I-62.

<sup>70</sup> Under the American Iron and Steel Institute ("AISI") system, stainless steel alloy grades are designated in three-digit numeric series, based on contents of chromium, nickel, and certain other elements. One- or two-letter suffixes indicate variations in the content of certain alloying elements (e.g., "L" for low carbon, or the chemical symbol for the presence of a particular element). The 300 Series classification includes both austenitic and austenitic-ferritic (duplex) stainless steels of varying chromium-nickel grades with other alloying elements,

(continued...)

dimensions set by the American Society of Testing and Materials (“ASTM”), American Society of Mechanical Engineers (“ASME”), and/or the American National Standards Institute (“ANSI”).<sup>71</sup> The staff report in the original investigations indicated that the imported and domestic products were “essentially fungible.”<sup>72</sup> The domestic interested parties in these second five-year reviews indicated that the fungibility of the domestic and imported stainless steel flanges “remains high.”<sup>73</sup> In comparing the overall quality of finished flanges and forgings from India and Taiwan to the quality of the domestic product during the Commission’s original final investigations, most responding purchasers described the products as comparable and almost all responding purchasers indicated that stainless steel flanges from India and Taiwan generally are employed in the same range of end uses as domestic products with similar grades and specifications. There were, however, some perceived quality differences among forgings and among finished flanges.<sup>74</sup> Virtually all responding purchasers in the Commission’s original investigations stated that at times they or their customers specifically requested stainless steel flanges from one country in particular over other possible sources of supply. In fact, many expressed a preference for U.S.-produced flanges due to specific “Buy American” policies, perceived superior quality, better traceability of raw materials, better availability, and/or shorter lead times.

### **Channels of Distribution**<sup>75</sup>

The great majority of finished flanges are sold in the United States to distributors who resell to end users or to master distributors who resell to other distributors.<sup>76</sup> Sales to end users usually are of products with less common sizes or material specifications. Most U.S. distributors stock common commodity-type products and order from U.S. suppliers to meet a customer’s special order. Four of 10

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<sup>70</sup> (...continued)

particularly nitrogen and molybdenum. The austenitic stainless steels contain lower chromium (16.0-26.0 percent) and higher nickel (5.0-34.0 percent) contents than do duplex stainless steels with higher chromium (23.0-28.0 percent) and lower nickel (2.5-5.0 percent) contents. Information about the various stainless steel alloy classifications are compiled from Iron and Steel Society, *Steel Products Manual, Stainless Steels*, Warrendale, PA, March 1999, “Overview of Stainless Steels,” pp. 1-2; table 2-1 “Stainless Steels, Cast or Heat Chemical Ranges and Limits,” pp. 17-22; and appendix I “Typical Applications of Selected Stainless Steels,” pp. 251-255; and from ASM International, *ASM Specialty Handbook, Stainless Steels*, Materials Park, OH, 1994, pp. 5-12 and pp. 13-38.

<sup>71</sup> Specifically, stainless steel flanges must meet the performance specifications of ASTM A-182/A-182M-91 and the dimensional specifications of the ASME/ANSI B16.5.

<sup>72</sup> The report cited the testimony of officials from Flowline and Maass Flange at the hearing held during the original investigations.

<sup>73</sup> *Response* of the domestic interested parties, August 22, 2005, p. 7.

<sup>74</sup> In its views in the original investigations, the Commission noted that “the {Taiwan} respondent argued during the preliminary investigations that the {Taiwan} merchandise was of the highest quality while contending that the Indian product, although meeting ASTM standards, was uneven in terms of cosmetic qualities.” However, the Commission also indicated that there had been reports of improved quality in Indian flanges. *Stainless Steel Flanges from India and Taiwan, Inv. Nos. 731-TA-639 and 640 (Final)*, USITC Publication 2724, February 1994, p. I-15.

<sup>75</sup> The discussion in this section is based on information from the Commission’s original investigations and/or first reviews. *Staff Report*, January 18, 1994 (INV-R-010), pp. I-18 and I-19, and I-55 through I-61, and *Staff Report*, June 21, 2000 (INV-X-138), pp. I-9 through I-10.

<sup>76</sup> Finished flanges produced from imported forgings are sold as domestic flanges and are regarded as U.S.-produced product by end users. Virtually all purchasers during the original investigations indicated that they were aware of the country of origin of the finished flanges and forgings they purchased because of a stamping on the outside diameter of the flange, or because of the material test reports that accompanied each order.

importers indicated during the original investigations that between 40 and 100 percent of their total 1992 imports were specifically ordered by a particular customer.

### Pricing<sup>77</sup>

During the original investigations, five of the six responding U.S. producers reported publishing price lists for their sales of stainless steel flanges in the U.S. market. The published list prices tended to remain fairly stable from year to year—several producers reported not changing their list prices between 1989 and 1993. Virtually all sales, however, were discounted from the list price through the use of a multiplier which specifies a percentage of list price that the purchaser will pay. In January 1994, the multiplier was reported to be in the range of 0.27 to 0.29, meaning that the buyer would pay between 27 and 29 percent of the published list price. Discounts reportedly were based on factors such as the dollar volume of the order, whether the buying distributor stocks or does not stock merchandise, and overall competitive conditions in the market.

Several major producers continue to use price lists for their sales of stainless steel flanges in the U.S. market; however, it is not known whether a multiplier is currently being used to discount sales from the domestic producers' price lists. According to public information contained on the company website of Maass Flange, the domestic producer increased its list prices in its price schedule for stainless steel flanges on April 1, 2005, from its previously published price schedule of January 2005. Maass Flange indicated that price increases of six percent for 304/L stainless steel flanges and 12 percent for 316/L stainless steel flanges were “{d}ue to the continuous increasing costs of our raw material in this volatile market.”<sup>78</sup> Gerlin also published on its website price sheets for types 304/304L and 316/316L stainless steel flanges with the same effective date of April 1, 2005.<sup>79</sup> A “Pricing Advisory,” effective June 13, 2005, was published on the company website of domestic producer Westbrook Manufacturing, giving notice of price increases of eight percent for 304/304L stainless steel flanges and 14 percent for 316/316L stainless steel flanges.<sup>80</sup> All prices for 304/304L and 316/316L stainless steel flanges listed on the current published price lists of Gerlin, Maass Flange, and Westbrook Manufacturing are identical.<sup>81</sup>

Somewhat in contrast to domestic producers, only 4 of the 10 responding importers reported using price lists for sales of stainless steel flanges in the United States. Those importers that did use price lists described discounting in a manner similar to U.S. producers, with multipliers representing a percentage of the published list price. Importers that did not use price lists reported negotiating transaction prices with their customers based on overall market conditions, and they generally met the discounted list prices from U.S. producers or importers that do use list prices.

During the original investigations, quarterly pricing data were collected for the period January 1990 through September 1993 on a sample of five finished and three unfinished stainless steel flanges. The subject imported products were generally priced below comparable domestic products in most quarters for which price comparisons were possible. The subject Indian flanges were priced below the comparable domestic products in all possible price comparisons by margins ranging from 2.2 to 41.5

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<sup>77</sup> The discussion in this section is based on information from the Commission's original investigations and/or first reviews, unless otherwise noted. *Staff Report*, January 18, 1994 (INV-R-010), pp. I-18 and I-19, and I-55 through I-61, I-65 and I-70, and *Staff Report*, June 21, 2000 (INV-X-138), pp. I-9 through I-10.

<sup>78</sup> Maass Flange indicated that the new pricing schedule for stainless steel flanges was applicable to both the Maass Flange products produced domestically and those produced in Mexico. See <http://www.maassflange.com>.

<sup>79</sup> See <http://www.gerlin.com>.

<sup>80</sup> See <http://www.westbrookmfg.com/>.

<sup>81</sup> See <http://www.maassflange.com>, <http://www.gerlin.com>, and <http://www.westbrookmfg.com/>.

percent, with the majority of instances of underselling in excess of 20 percent. Eighty percent of price comparisons for the subject Taiwan products were priced below domestic products by margins ranging from 1.1 to 42.5 percent. The remaining 20 percent of such price comparisons showed the subject Taiwan flanges priced above domestic products by margins ranging from 0.7 to 33.3 percent.

During these current five-year reviews, the domestic interested parties indicated that “{t}he basic character of the U.S. market for stainless flanges has changed very little since the time of the previous sunset review{s} or the original investigation{s}: the market remains extremely competitive and price sensitive, and the fungibility of domestic and imported flanges remains high.”<sup>82</sup> Therefore, the domestic interested parties conclude, “given the history of significant underselling, the intense, price-based nature of competition in the market for stainless flanges, and the importance of price to purchasers, similar price-related injury will occur if the antidumping duty orders against India and Taiwan are revoked.”<sup>83</sup>

## THE INDUSTRY IN THE UNITED STATES

### U.S. Producers

During the original investigations, the domestic manufacturing sector consisted of both integrated producers (forger/finishers) and converters.<sup>84</sup> The Commission received questionnaires in the original investigations from four domestic forger/finishers (Flowline, Ideal, Maass Flange, and Western Forge & Flange Co. (“Western”)),<sup>85</sup> each of which produced raw forgings from stainless steel bar or billet and, through a machining process, converted the forgings into saleable finished flanges. Two domestic converters (Gerlin and Flow Components) also provided questionnaire responses in the original investigations.<sup>86</sup> Gerlin was solely a converter that purchased its forgings from foreign or domestic sources; Flow Components was a converter that sourced its forgings primarily from \*\*\*. Non-responding domestic producers consisted of Newman Flange & Fitting Co. (“Newman”) and Texas Metals Works (“TMW”), both integrated producers of forgings and finished flanges, and J&R Metals, a converter.<sup>87</sup> At the time of the original investigations, Maass Flange was the \*\*\* domestic producer, accounting for \*\*\* percent of total reported U.S. production of forgings and \*\*\* percent of total reported U.S. production of finished flanges in 1992.<sup>88</sup>

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<sup>82</sup> *Response* of the domestic interested parties, August 22, 2005, p. 7.

<sup>83</sup> *Ibid.*

<sup>84</sup> U.S. converters generally purchased the majority of their forgings from offshore sources (primarily India and Taiwan, as well as Italy, Japan, and Korea). The firms also purchased \*\*\* forgings from U.S. integrated producers; however, integrated manufacturers were inclined to use their own forgings in the production of finished flanges.

<sup>85</sup> Western was a U.S. integrated producer of larger-sized, non-commodity products; Flowline, Ideal, and Maass Flange were among the original petitioning firms.

<sup>86</sup> Gerlin was a petitioner in the original investigations; Flow Components was excluded from the domestic industry under the related parties provision by the Commission in its original determinations.

<sup>87</sup> J&R Metals was believed to have accounted for a substantial share of U.S. production of finished stainless steel flanges prior to 1993. The original petition alleged that the firm accounted for about \*\*\* percent of U.S. production of finished flanges. Respondent Flow Components also estimated that J&R Metals held probably 20 to 25 percent of the market at its peak. J&R Metals went out of business and had its stock and equipment sold at auction in July 1993; it did not provide usable information to the Commission during the original investigations. \*\*\*.

<sup>88</sup> *Staff Report*, January 18, 1994 (INV-R-010), pp. I-13 through I-16 and I-19 through I-20, and *Staff Report*, June 21, 2000 (INV-X-183), p. 5.

In the first five-year reviews, only one submission to the Commission's notice of institution was filed. It was filed on behalf of domestic interested parties Gerlin, Ideal, Maass Flange, and Westbrook. As was the case in the original investigations, Maass Flange was the \*\*\* domestic manufacturer at the time of the first five-year reviews; the firm produced \*\*\* percent of the estimated total domestic production of stainless steel flanges during 1998. In 1995, subsequent to the original investigations, Gerlin acquired the stainless forming equipment of Ladish Co., Inc. ("Ladish"),<sup>89</sup> providing the firm with forging capability in addition to its existing converting operations.<sup>90</sup> Although a participating domestic interested party in the Commission's first five-year reviews, Westbrook was not identified in the Commission's original investigations as a domestic producer of stainless steel flanges. The company's website indicates that it "has been making quality pipe fittings since 1965."<sup>91</sup> The four responding producers as a group reportedly accounted for about \*\*\* percent of estimated U.S. production of the domestic like product in 1998. Other domestic producers identified in the Commission's first five-year reviews included American Fittings, Newman, TMW, and Western. Newman, TMW, and Western produced stainless steel flanges during 1990-92; American Fittings was not identified as a domestic producer during the original investigations and may have been a new entrant to the market.<sup>92</sup> Taylor Forge was also identified as a possible domestic producer of larger-sized flanges of stainless steel.<sup>93</sup>

The one submission to the Commission's notice of institution in these second five-year reviews was filed on behalf of Gerlin and Maass Flange. As was the case in the original investigations and the Commission's first five-year reviews, Maass Flange is currently the \*\*\* domestic manufacturer of stainless steel flanges; the firm produced \*\*\* percent of the estimated total domestic production of stainless steel flanges during 2004. Since the Commission's first five-year reviews, two firms have ceased production of forged stainless steel flanges in the United States. Connecticut producer Ideal declared bankruptcy and shut down its operations in 2003 and South Carolina producer American Fittings ceased production in 2004. The domestic interested parties in these current reviews identified the

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<sup>89</sup> Ladish is one of the largest forge shops in the world, producing forged and formed metal components for a wide variety of applications. See <http://www.ladishco.com/>. In response to the Commission's questionnaire in the original investigations, Ladish indicated that it did not produce forged stainless steel flanges in the United States. *Staff Report*, January 18, 1994 (INV-R-010), p. I-13.

<sup>90</sup> See Gerlin's website at <http://www.gerlin.com>. Gerlin is a U.S. producer of stainless and alloy pipe fittings and flanges. The company's website does not specifically indicate whether or not the new metal forming equipment (which included large presses) would be used in the manufacture of the subject flanges or other products. According to the original staff report, manufacturers use either press forging (where a hot blank is forged in a press to achieve the desired shape) or hammer forging to forge or form an unfinished flange. *Staff Report*, January 18, 1994 (INV-R-010), p. I-8.

<sup>91</sup> See <http://www.westbrookmfg.com/>.

<sup>92</sup> Neither Flow Components nor Flowline were listed as manufacturers during the first five-year reviews completed in 2000. Flow Components was identified as a converter of \*\*\* during the original investigations and was excluded by the Commission under the related parties provision. The company was acquired by Consolidated Stainless in January 1996; its assets were subsequently purchased by TMW in November 1997. TMW's website indicates that it "is a complete in-house forging, heat-treating, machining, and testing facility firmly positioned to satisfy any of our customers' commodity stainless requirements. TMW maintains a large inventory of commodity stainless flanges in both finished and forging form thus allowing us to provide our customers with shipments from stock to a few days instead of weeks on a wide variety of commodity flange types." See <http://www.texmet.com>.

<sup>93</sup> *Staff Report*, June 21, 2000 (INV-X-138), pp. I-11 through I-12. According to the original staff report, \*\*\*. *Staff Report*, January 18, 1994 (INV-R-010), p. I-13.

following seven companies as producers of stainless steel flanges in the United States: TMW;<sup>94</sup> Gerlin;<sup>95</sup> Kerkau Manufacturing, Inc. (“Kerkau”);<sup>96</sup> Maass Flange;<sup>97</sup> Newman;<sup>98</sup> Westbrook;<sup>99</sup> and Western.<sup>100</sup> Gerlin and Maass Flange reported that although neither is related to any producer or exporter of the subject product in India or Taiwan, Maass Flange has on occasion imported relatively small quantities of subject stainless steel flanges.<sup>101</sup>

### **U.S. Production, Capacity, Shipments, and Selected Financial Data**

Data reported by U.S. producers of stainless steel flanges in the Commission’s original investigations and in response to its first and second review institution notices are presented in table I-4.

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<sup>94</sup> An Ameri-Forge Group Company, TMW is a complete in-house forging, heat-treating, machining, and integrated testing facility located in Houston, TX. See <http://www.ameri-forgegroup.com/> and <http://www.texmet.com/>.

<sup>95</sup> Gerlin has established itself as one of the premier manufacturers of stainless and alloy pipe fittings and flanges in the world. Gerlin opened in 1978 under the name Tube-Line Corp. and was designed specifically for the manufacture of stainless and alloy pipe fittings and flanges. In December 1984, the assets of Tube-Line Corp. were purchased from Hi Shear Industries and the company was renamed Gerlin. In 1986, the current 65,000 square foot building and land were acquired and, in October 1987, Gerlin acquired the assets of Picor, a stainless fitting manufacturer located in Pennsylvania. In 1995, the stainless forming equipment of Ladish Co. was acquired and moved from Cynthiana, KY, including large diameter forming tooling and equipment. The original 65,000 square foot facility was expanded with a high bay 20,000 square foot addition to accommodate this equipment, as well as additional large presses and other equipment. See <http://www.gerlin.com/home.htm>.

<sup>96</sup> Kerkau, apparently a finisher of stainless steel flanges, employs 82 workers in its Bay City, MI, production facility. The company’s single production facility houses approximately 120,000 square feet of production/storage area and contains several computer numerically controlled machines, which turn, bore, drill, ream, tap, mill, and contour parts to design. The facility also houses lathes, mills, and automatic eight spindle chucks. Kerkau reports the capability to machine a wide variety of materials including aluminum, copper, stainless steel, carbon steel, and castings. See <http://www.kerkau.com>.

<sup>97</sup> Maass Flange is a fully integrated, forging and machining manufacturer of domestic and imported stainless and alloy flanges with operations located in Houston, TX (formed in 1982) and Acuna, Mexico (opened in the spring of 1996). See <http://www.maassflange.com/index.htm>.

<sup>98</sup> Newman Flange & Fitting Company is an integrated forge & machine shop located in Newman, CA. See <http://www.newmanflange.com/mission.htm> and <http://waysandmeans.house.gov/legacy/trade/107cong/tradebills/hr4128newmanflange.pdf>.

<sup>99</sup> Westbrook manufactures not only stainless steel flanges, but also a full spectrum of pipe nipples, swage nipples, plugs, forged fittings, unions, and welding outlets. The firm, located in Houston, TX, employs 225 employees. See [www.westbrookmfg.com/](http://www.westbrookmfg.com/) and <http://waysandmeans.house.gov/legacy/trade/107cong/tradebills/hr4128westbrook.pdf>.

<sup>100</sup> Western, located in Santa Clara, CA, manufactures forged and machined flanges, rings, bars, and odd shapes. Its capabilities include forging, heat treating, machining, and metallurgical testing. See <http://www.western-forge.com/>.

<sup>101</sup> *Response of domestic interested parties*, August 22, 2005, pp. 9-10. As indicated earlier, Maass Flange is a fully integrated, forging and machining manufacturer of domestic, as well as, imported stainless steel flanges. In its Mexican facility, Maass Flange currently forges and machines 1/2-inch through 12-inch flanges, and 150-pound and 300-pound flanges according to the ANSI B16.5 dimensional standards and the ASTM A182 material standards. See <http://www.maassflange.com/index.htm>. During 2004, total U.S. imports of stainless steel flanges from Mexico amounted to 3.0 million pounds (\$5.7 million, landed duty-paid)(\$1.87 per pound); such imports accounted for 13.0 percent of total U.S. imports of stainless steel flanges, on the basis of quantity.

As shown, overall trends for most industry indicators for both forgings and finished flanges were positive from 1990 to 1992, although some declines from 1991 to 1992 were evident. Capacity utilization ratios for finished flanges fell, however, from 1990 to 1992 and the average unit values of the finished product decreased by more than \*\*\* during the period. The Commission stated in its original views that “{t}he financial performance indicators for the domestic stainless steel flange industry were mixed during the period of investigation.”<sup>102</sup> It further noted that “{a}lthough certain indicators of domestic industry performance have improved slightly in interim period 1993, these changes do not reflect a long term or even moderate term trend. Despite an increase in industry sales in 1993, the industry’s operating income margins continue to decline; and, despite a slight increase in capital expenditures in 1993, these expenditures have dropped sharply since 1990. These declines indicate that the industry is less and less able to generate sufficient income for needed investment and capital improvements, and is vulnerable to the effects of continued LTFV imports.”<sup>103</sup> Concerning pricing data, the Commission noted in its original views that “U.S. prices both for finished flanges and for forgings have fallen over the period of investigation.”<sup>104</sup>

The Commission noted in its opinions in the first five-year reviews that “{t}he imposition of the antidumping duty order had a positive effect on the domestic industry’s performance.”<sup>105</sup> During the Commission’s first five-year review period, domestic production and U.S. shipments of stainless steel flanges appear to have risen from the levels reported in the original investigations.<sup>106</sup> In 1998, \*\*\* pounds of flanges are shown as being manufactured in the United States, a \*\*\*-percent increase over the 1992 figure of \*\*\* pounds. Likewise, U.S. shipments, in terms of quantity, rose by \*\*\* percent from 1992 to 1998. With reference to profitability, the domestic interested parties reported that during the first post-order period the domestic industry “invested in its production facilities to improve productivity and increase employment” and that, as a consequence, financial performance improved. As shown in table I-4, the aggregate operating income margin for Gerlin, Ideal, and Maass Flange was \*\*\* percent in 1998 compared with \*\*\* percent in 1992. Further, “capital improvements to increase its productivity” reportedly increased the production capacity of the domestic industry during the first five-year post-order period. The reported average unit value of domestically produced flanges was \$\*\*\* in 1998, or slightly less than the figure reported for 1992. Further, the unit value for domestically produced flanges in the first three quarters of 1999 was \*\*\* less than the unit value for 1998. The domestic interested parties indicated in their response in the Commission’s first five-year review of the orders that a softening in global demand led to an increase in imports into a U.S. market where “demand remained relatively flat.”

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<sup>102</sup> *Stainless Steel Flanges from India and Taiwan, Inv. Nos. 731-TA-639 and 640 (Final)*, USITC Publication 2724, February 1994, p. I-12. As indicated earlier, the financial data presented in table I-4 reflect the operations only of selected firms. See note to table I-4. Also see table C-3A of the *Staff Report*, January 18, 1994 (INV-R-010) for the aggregate financial figures considered by the Commission during its original investigations.

<sup>103</sup> *Stainless Steel Flanges from India and Taiwan, Inv. Nos. 731-TA-639 and 640 (Final)*, USITC Publication 2724, February 1994, p. I-13.

<sup>104</sup> *Ibid.*, p. I-19.

<sup>105</sup> *Stainless Steel Flanges from India and Taiwan, Inv. Nos. 731-TA-639 and 640 (Review)*, USITC Publication 3329, July 2000, p. 15.

<sup>106</sup> Note that, as discussed in the footnotes to table I-4, the data presented represent different coverage levels for different time periods.

Table I-4

Stainless steel flanges: U.S. producers' capacity, production, and U.S. shipments, and selected financial data, 1990-92, 1998, January-September 1999, 2000, 2003, and 2004<sup>1</sup>

| Item   | 1990             | 1991             | 1992             | 1998             | Jan.-<br>Sept.   | 2000             | 2003             | 2004             |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|  |                  |                  |                  |                  | 1999             |                  |                  |                  |
| <b>Forgings</b>  |                  |                  |                  |                  |                  |                  |                  |                  |
| Capacity (1,000 pounds)  | 11,705           | 14,197           | 14,734           | ( <sup>2</sup> ) |
| Production (1,000 pounds)  | 7,261            | 10,577           | 9,342            | ( <sup>2</sup> ) |
| Capacity utilization (percent)   | 62.0             | 74.5             | 63.4             | ( <sup>2</sup> ) |
| U.S. shipments:<br>Quantity (1,000 pounds)                             | 6,748            | 8,533            | 8,086            | ( <sup>2</sup> ) |
| Value (1,000 dollars)  | 9,217            | 11,839           | 12,886           | ( <sup>2</sup> ) |
| Unit value (dollars/pound)   | 1.37             | 1.39             | 1.59             | ( <sup>2</sup> ) |
| <b>Flanges</b>   |                  |                  |                  |                  |                  |                  |                  |                  |
| Capacity (1,000 pounds)  | ***              | ***              | ***              | ( <sup>2</sup> ) |
| Production (1,000 pounds)  | ***              | ***              | ***              | ***              | ***              | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ***              |
| Capacity utilization (percent)   | ***              | ***              | ***              | ( <sup>2</sup> ) |
| U.S. shipments:<br>Quantity (1,000 pounds)                             | ***              | ***              | ***              | ***              | ***              | ***              | ***              | ***              |
| Value (1,000 dollars)  | ***              | ***              | ***              | ***              | ***              | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ***              |
| Unit value (dollars/pound)   | ***              | ***              | ***              | ***              | ***              | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ***              |
| <b>Stainless steel flange data coverage</b>                            |                  |                  |                  |                  |                  |                  |                  |                  |
| Producers providing data (number)                                      | 5                | 5                | 5                | 4                | 4                | 2                | 2                | 2                |
| Responding producers' share of production (percent)                    | ( <sup>2</sup> ) | ( <sup>2</sup> ) | *** <sup>3</sup> | *** <sup>4</sup> | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ( <sup>2</sup> ) | *** <sup>4</sup> |
| <b>Stainless steel flange operations of selected firms<sup>5</sup></b> |                  |                  |                  |                  |                  |                  |                  |                  |
| Financial data:<br>Net sales (1,000 dollars)                           | ***              | ***              | ***              | ***              | ***              | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ( <sup>2</sup> ) |
| Operating income (or loss)(1,000 dollars)                              | ***              | ***              | ***              | ***              | ***              | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ( <sup>2</sup> ) |
| Ratio of operating income to net sales (percent)                       | ***              | ***              | ***              | ***              | ***              | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ( <sup>2</sup> ) |

Footnotes continued on following page.

**Table I-4--Continued**

**Stainless steel flanges: U.S. producers' capacity, production, and U.S. shipments, and selected financial data, 1990-92, 1998, January-September 1999, 2000, 2003, and 2004<sup>1</sup>**

|   |
|---|
| <p><sup>1</sup> The data presented do not include that of Flow Components, whose operations the Commission excluded from the domestic industry.</p> <p><sup>2</sup> Not available.</p> <p><sup>3</sup> Staff estimate based on the following estimates for nonresponding firms: J&amp;R Metals (average of 23 percent of market), Newman (annual sales of \$***), and TMI (annual sales of \$***). See <i>Staff Report</i>, January 18, 1994 (INV-R-010), p. I-14, fn. 25, and tables C-1 and C-1A. It should be noted, however, that the Commission did not make a determination in its original investigations as to whether or not J&amp;R Metals (a converter of subject fittings) should be excluded from the domestic industry as a related party. J&amp;R Metals closed its operations in July 1993. By excluding J&amp;R Metals from the domestic industry, the responding producers' coverage during 1992 would be estimated at *** percent.</p> <p><sup>4</sup> Coverage estimate provided by domestic interested parties.</p> <p><sup>5</sup> Data for Gerlin, Ideal, and Maass Flange (whose operations represented *** percent and *** percent of reported U.S. production of forgings and finished flanges, respectively, in 1992). It is only for these firms that financial data are available both during the period examined in the original investigations and in 1998 and January-September 1999.</p> <p>Note.--The data provided by the domestic interested parties for their stainless steel flange operations for 1998 and January-September 1999 are listed in the category "finished flanges" since virtually all forgings are made into a finished product.</p> <p>Source: <i>Staff Report</i>, January 18, 1994 (INV-R-010), table I-1, table C-2, and table C-3A (1990-92 data); <i>Staff Report</i>, June 21, 2000 (INV-R-010) pp. 14-15 and exh. 1 (1998 and January-September 1999 data); <i>Response</i> of the domestic interested parties, August 22, 2005, pp. 10-11 and exh. 4 (2000, 2003, and 2004 data).</p> |
|---|

They explained that this, in turn, led to a lowering of domestic prices with a resulting "sharp decline in net sales value." They added that there have been recent increases in the prices of raw materials (particularly nickel) used in the production of stainless steel flanges. Reportedly "{t}he combination of rising raw materials costs and declining prices is devastating to domestic producers." As shown in table I-4, the ratio of operating income to net sales for the three responding firms dropped from \*\*\* percent in 1998 to \*\*\* percent in interim 1999. The domestic interested parties stated that "{t}he rising {COGS}, combined with relatively flat prices, caused the domestic industry's profitability to decline." In sum, they stated in the Commission's first five-year review of the orders that the domestic industry was especially vulnerable to the resurgence of unfairly traded imports from India and Taiwan that would likely follow revocation of the antidumping duty orders, causing material injury.<sup>107</sup>

During 2004, domestic production and U.S. shipments of stainless steel flanges appear to have fallen to levels below those reported during the final years of data reported during the original investigations. In 2004, \*\*\* pounds of flanges are shown as being manufactured in the United States, a \*\*\*-percent decline from the 1998 figure of \*\*\* pounds and a \*\*\*-percent decline from the 1992 figure of \*\*\* pounds. Likewise, U.S. shipments, in terms of quantity, fell by \*\*\* percent from 1998 to 2004. The domestic interested parties reported that the downturn in the U.S. economy from 2000 to 2003 "had a devastating impact on the domestic industry."<sup>108</sup> They reported that it was so severe that it forced Connecticut producer Ideal and South Carolina producer American Fittings to cease production of stainless steel flanges. They stated that market conditions improved in 2004 and 2005 and "the industry is just returning to health after three-plus years of weak sales and depressed profitability."<sup>109</sup> Although there are no pricing data available, the reported average unit value of domestically produced flanges fell to \$\*\*\* in 2004, which was \$\*\*\* less than the unit value figure reported for 1998.<sup>110</sup> Once again, in these

<sup>107</sup> *Staff Report*, June 21, 2000 (INV-X-138), p. I-15.

<sup>108</sup> *Response* of the domestic interested parties, August 22, 2005, pp. 8 and 11.

<sup>109</sup> *Ibid.*, p. 9.

<sup>110</sup> Despite the declining reported unit values for the domestic producers, the domestic interested parties in these current reviews indicated in their response that the imposition of the antidumping duty orders on imports of stainless  
(continued...)

second five-year reviews, the domestic interested parties stated that “the domestic industry remains extremely vulnerable to renewed material injury if the antidumping duty orders on {stainless steel flanges} from India and Taiwan are revoked.”<sup>111</sup>

## U.S. IMPORTS AND CONSUMPTION

### U.S. Imports

During the original investigations, the Commission identified 15 importers of stainless steel flanges (from all sources), of which 12 provided complete questionnaire responses to the Commission. \*\*\* was the largest importer of finished flanges from India in 1992; \*\*\* was the largest importer from Taiwan. The principal importer of forgings was \*\*\*, which accounted for about \*\*\* percent of total reported 1992 imports. \*\*\* of its imports were from India.<sup>112</sup> None of the six domestic producers that submitted usable information to the Commission in the original investigations had a corporate affiliation with any foreign producer or importer of stainless steel flanges from India or Taiwan. Four firms were strictly forger/finishers, unrelated to producers or importers of the subject imports, and did not import or purchase subject merchandise. The other two producers were converters (Flow Components and Gerlin). Gerlin was a substantial importer whose imports accounted for \*\*\* of total forging imports in 1992. The firm, however, did not import or purchase subject merchandise from India or Taiwan. Only one responding producer, Flow Components, imported forgings from the subject countries during the period for which data were collected in the original investigations.<sup>113 114</sup>

In its response to the Commission’s notice of institution in the first five-year reviews, the domestic interested parties identified 18 firms that imported stainless steel flanges from India and Taiwan into the United States. They reported that none of the domestic interested parties at that time imported the subject merchandise or was otherwise related to any subject foreign producer.<sup>115</sup> The domestic interested parties listed in their response in these second five-year reviews 45 firms that are believed to be importing subject merchandise from India and two firms that are believed to be importing subject merchandise from Taiwan.<sup>116</sup> They indicated that, among U.S. producers, only Maass Flange had “on occasion imported relatively small quantities of subject {stainless steel flanges}.”<sup>117</sup>

As shown in figure I-1 and table I-5, U.S. imports of stainless steel flanges from India and Taiwan rose from 1990 to 1993, with a five-fold increase in Indian flanges and a 65-percent rise in flanges from Taiwan. For several years immediately following the imposition of the orders in February

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<sup>110</sup> (...continued)

steel flanges from India and Taiwan had “immediate and significant effects on prices for those imports in the U.S. market. These increased prices indicated that the antidumping duty orders instilled discipline in the U.S. marketplace and achieved their intended remedial effects, and market prices improved for domestic producers as a result.” Ibid.

<sup>111</sup> *Response* of domestic interested parties, August 22, 2005, p. 11.

<sup>112</sup> *Staff Report*, January 18, 1994 (INV-R-010), pp. I-16 and I-17. \*\*\*. Ibid., p. I-14.

<sup>113</sup> As indicated earlier, the Commission excluded Flow Components from the domestic industry under the related parties provision.

<sup>114</sup> *Stainless Steel Flanges from India and Taiwan, Inv. Nos. 731-TA-639 and 640 (Final)*, USITC Publication 2724, February 1994, pp. I-8 and I-9, and *Staff Report*, January 18, 1994 (INV-R-010), pp. I-16 and I-17.

<sup>115</sup> *Staff Report*, June 21, 2000 (INV-X-138), pp. 12-14.

<sup>116</sup> *Response* of the domestic interested parties, August 22, 2005, exh. 5.

<sup>117</sup> Ibid., p. 10.

1994, subject imports from both sources dropped to much lower levels. In their response in the first five-year reviews, the domestic interested parties pointed to the decrease and stated that “the presence of the antidumping duty orders against India and Taiwan have restricted the flow of unfairly traded imports into the U.S. market.” They further pointed out that “{t}he minimal import volumes in the post-order period demonstrate that Indian and {Taiwan} producers have not been able to sell {stainless steel flanges} in comparable volumes in the United States under the discipline of the antidumping duty order{s}.”<sup>118</sup>

Subject imports from Taiwan have remained lower than pre-order levels, averaging 344,000 pounds annually after 1993. Subject imports from India, however, have increased overall from the recorded low in 1995. In fact, the level of subject imports from India during 2004 surpassed the pre-order recorded high level during 1993.<sup>119</sup> During the Commission’s first reviews, the domestic interested parties attributed the rise in subject imports from India to Commerce’s new shipper reviews published in 1997-98 where it found 0.00 percent margins for three Indian firms and a margin of 1.61 percent for a fourth company, as opposed to the previously applicable country-wide rate of 162.14 percent.<sup>120</sup> In fact, Commerce has since revoked the order with respect to one Indian firm and has conducted reviews that have resulted in margins below one percent for five Indian firms and margins below five percent for two additional Indian firms (table I-2). However, the domestic interested parties in these current reviews pointed out that “{f}or the post-order period as a whole, imports from India have averaged just 2.2 million pounds annually, less than half of their pre-order average” and that “imports of {flanges} from Taiwan have averaged just 344,400 pounds annually for the post-order period as a whole (1994-2004), only about one-quarter of their pre-order average.” They added that the increase in Indian exports to the United States in 2004 has shown that the Indian industry “has massively increased its ability to export stainless flanges.”<sup>121</sup> The domestic interested parties also contend that “while the volume of Indian flange imports has risen in recent years, the volume has not increased as much as it would have if the order were not in place.”<sup>122</sup> In 2004, subject imports from India (based on quantity) accounted for 24.4 percent of total U.S. imports; subject imports from Taiwan accounted for 1.7 percent of total U.S. imports.

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<sup>118</sup> *Staff Report*, June 21, 2000 (INV-X-138), pp. 4-5.

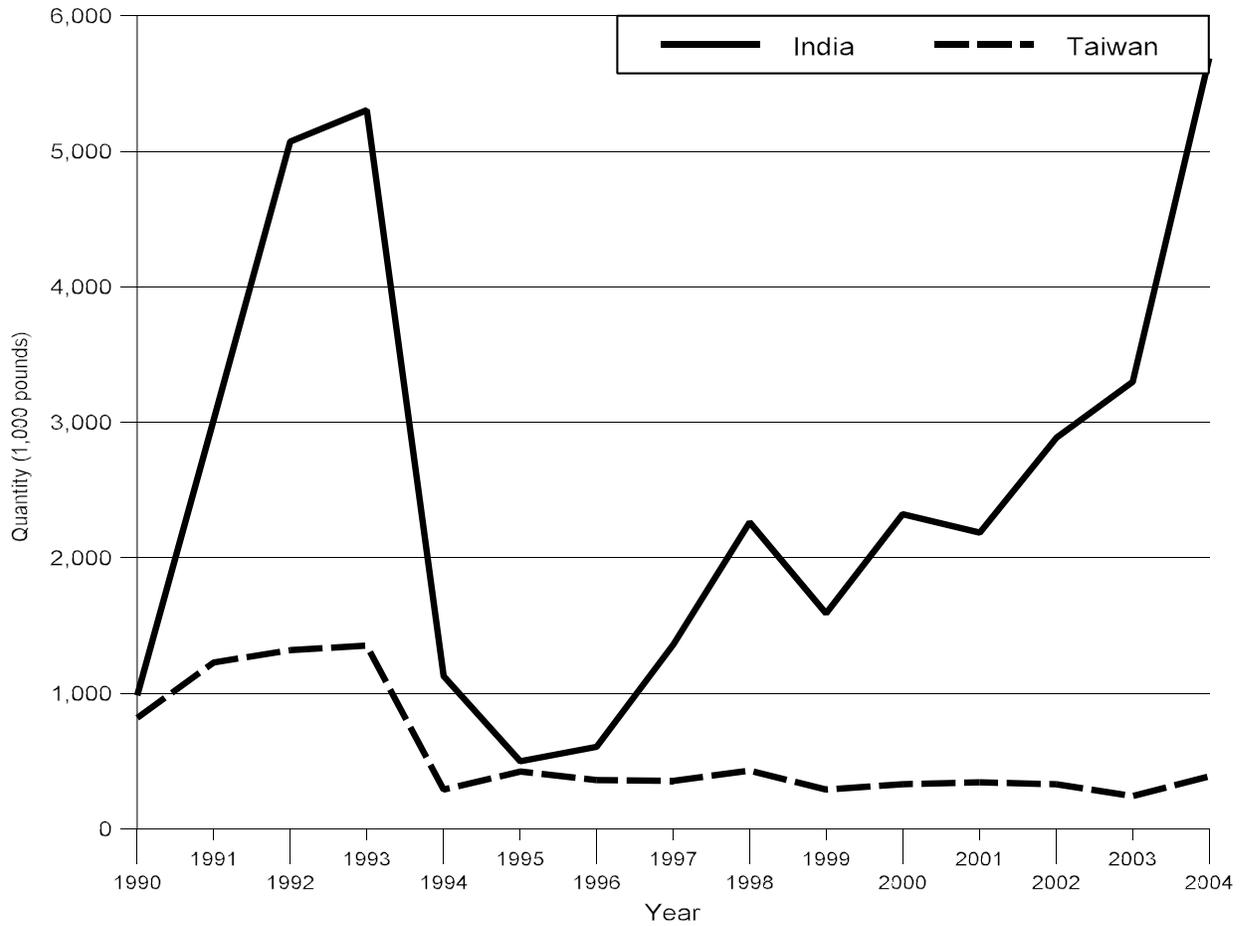
<sup>119</sup> During January-September 2005, U.S. imports of stainless steel flanges from India amounted to 6.1 million pounds (\$16.9 million, landed duty-paid)(\$2.76 per pound); such imports accounted for 30.0 percent of total U.S. imports of stainless steel flanges, on the basis of quantity. Imports of stainless steel flanges into the United States from Taiwan during January-September 2005 amounted to 205,625 pounds (\$1.2 million, landed duty-paid)(\$5.76 per pound); such imports accounted for 1.0 percent of total U.S. imports of stainless steel flanges, on the basis of quantity.

<sup>120</sup> *Ibid.*, p. 5.

<sup>121</sup> *Response* of the domestic interested parties, August 22, 2005 pp. 4-5.

<sup>122</sup> *Issues and Decision Memorandum for Sunset Reviews of the Antidumping Duty Orders on Forged Stainless Steel Flanges from India and Taiwan; Final Results*, International Trade Administration, Department of Commerce, p. 4.

**Figure I-1**  
**Stainless steel flanges: U.S. imports from India and Taiwan, by quantity, 1990-2004**



Source: *Staff Report*, January 18, 2004 (INV-R-010), table 18 (1990-92 (which were from official Commerce statistics)), and official Commerce statistics for 1993-2004. Stainless steel flanges are provided for under HTS statistical reporting numbers 7307.21.1000 (forgings) and 7307.21.5000 (finished flanges).

**Table I-5**  
**Stainless steel flanges: U.S. imports, by source, 1990-2004**

| Item                            | 1990   | 1991   | 1992   | 1993   | 1994   | 1995   | 1996   | 1997   | 1998   | 1999   | 2000   | 2001   | 2002   | 2003   | 2004   |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Quantity (1,000 pounds)</b>  |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Finished flanges:               |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| India                           | 788    | 615    | 1,210  | 1,287  | 550    | 499    | 224    | 687    | 255    | 601    | 1,413  | 1,407  | 1,914  | 1,228  | 1,422  |
| Taiwan                          | 763    | 1,217  | 1,062  | 710    | 258    | 406    | 342    | 282    | 415    | 226    | 331    | 341    | 263    | 189    | 372    |
| Subtotal                        | 1,551  | 1,832  | 2,272  | 1,997  | 808    | 905    | 566    | 969    | 670    | 827    | 1,744  | 1,748  | 2,177  | 1,417  | 1,794  |
| Other <sup>1</sup>              | 5,104  | 6,182  | 4,691  | 4,543  | 8,379  | 6,946  | 8,539  | 11,888 | 12,978 | 11,801 | 17,557 | 12,749 | 15,716 | 14,200 | 15,262 |
| Total                           | 6,655  | 8,014  | 6,963  | 6,540  | 9,187  | 7,851  | 9,105  | 12,857 | 13,648 | 12,628 | 19,301 | 14,497 | 17,893 | 15,617 | 17,056 |
| Forgings:                       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| India                           | 199    | 2,411  | 3,863  | 4,020  | 580    | 0      | 383    | 675    | 2,009  | 989    | 910    | 780    | 972    | 2,071  | 4,266  |
| Taiwan                          | 55     | 12     | 257    | 643    | 32     | 18     | 20     | 72     | 14     | 67     | 0      | 3      | 67     | 56     | 16     |
| Subtotal                        | 254    | 2,423  | 4,119  | 4,663  | 612    | 18     | 403    | 747    | 2,023  | 1,056  | 910    | 783    | 1,039  | 2,127  | 4,282  |
| Other <sup>1</sup>              | 3,257  | 3,225  | 2,357  | 4,839  | 5,992  | 7,096  | 8,693  | 8,732  | 8,607  | 6,231  | 7,972  | 4,950  | 5,468  | 2,394  | 1,987  |
| Total                           | 3,510  | 5,648  | 6,476  | 9,502  | 6,604  | 7,114  | 9,096  | 9,479  | 10,630 | 7,287  | 8,882  | 5,733  | 6,507  | 4,521  | 6,269  |
| Total, stainless steel flanges: |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| India                           | 987    | 3,026  | 5,072  | 5,307  | 1,130  | 499    | 608    | 1,362  | 2,264  | 1,590  | 2,324  | 2,187  | 2,886  | 3,299  | 5,688  |
| Taiwan                          | 818    | 1,229  | 1,319  | 1,353  | 290    | 424    | 362    | 354    | 430    | 293    | 331    | 344    | 329    | 244    | 388    |
| Subtotal                        | 1,804  | 4,255  | 6,392  | 6,660  | 1,420  | 923    | 970    | 1,716  | 2,694  | 1,883  | 2,655  | 2,531  | 3,215  | 3,543  | 6,076  |
| Other <sup>1</sup>              | 8,361  | 9,407  | 7,047  | 9,381  | 14,371 | 14,043 | 17,231 | 20,620 | 21,584 | 18,031 | 25,529 | 17,700 | 21,185 | 16,595 | 17,249 |
| Total                           | 10,165 | 13,663 | 13,439 | 16,041 | 15,791 | 14,966 | 18,201 | 22,336 | 24,278 | 19,914 | 28,184 | 20,231 | 24,400 | 20,138 | 23,325 |

Table continued on following page.

**Table I-5-Continued**  
**Stainless steel flanges: U.S. imports from India and Taiwan, 1990-2004**

| Item                                     | 1990   | 1991   | 1992   | 1993   | 1994   | 1995   | 1996   | 1997   | 1998   | 1999   | 2000   | 2001   | 2002   | 2003   | 2004   |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Landed duty-paid value (\$1,000)</b>  |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Finished flanges:<br>India               | 1,548  | 1,081  | 2,266  | 2,021  | 595    | 463    | 368    | 997    | 477    | 997    | 1,675  | 1,073  | 1,869  | 2,196  | 3,478  |
| Taiwan                                   | 2,412  | 3,980  | 3,265  | 2,243  | 689    | 1,466  | 1,148  | 883    | 1,112  | 568    | 1,251  | 894    | 659    | 552    | 1,638  |
| Subtotal                                 | 3,960  | 5,061  | 5,531  | 4,264  | 1,284  | 1,929  | 1,516  | 1,880  | 1,589  | 1,565  | 2,926  | 1,967  | 2,528  | 2,748  | 5,116  |
| Other <sup>1</sup>                       | 22,170 | 16,597 | 12,403 | 14,468 | 22,128 | 21,706 | 28,467 | 34,963 | 32,363 | 27,097 | 39,063 | 26,872 | 33,343 | 31,966 | 41,575 |
| Total                                    | 26,130 | 21,658 | 17,935 | 18,732 | 23,412 | 23,635 | 29,983 | 36,843 | 33,952 | 28,662 | 41,989 | 28,839 | 35,871 | 34,714 | 46,691 |
| Forgings:<br>India                       | 316    | 3,771  | 5,647  | 5,877  | 323    | 0      | 674    | 1,171  | 2,610  | 1,363  | 1,201  | 1,230  | 1,299  | 3,030  | 9,318  |
| Taiwan                                   | 221    | 51     | 425    | 1,018  | 92     | 21     | 70     | 180    | 37     | 166    | 0      | 7      | 200    | 157    | 36     |
| Subtotal                                 | 536    | 3,822  | 6,072  | 6,895  | 415    | 21     | 744    | 1,351  | 2,647  | 1,529  | 1,201  | 1,237  | 1,499  | 3,187  | 9,354  |
| Other <sup>1</sup>                       | 7,341  | 6,301  | 3,787  | 6,155  | 8,288  | 12,731 | 15,371 | 15,929 | 15,235 | 9,057  | 10,315 | 5,012  | 4,068  | 3,263  | 3,442  |
| Total                                    | 7,877  | 10,123 | 9,858  | 13,050 | 8,703  | 12,752 | 16,115 | 17,280 | 17,882 | 10,586 | 11,516 | 6,249  | 5,567  | 6,450  | 12,796 |
| Total, stainless steel flanges:<br>India | 1,864  | 4,851  | 7,913  | 7,898  | 919    | 463    | 1,042  | 2,168  | 3,087  | 2,360  | 2,876  | 2,303  | 3,168  | 5,227  | 12,796 |
| Taiwan                                   | 2,633  | 4,031  | 3,690  | 3,260  | 781    | 1,487  | 1,218  | 1,063  | 1,149  | 735    | 1,251  | 901    | 859    | 709    | 1,674  |
| Subtotal                                 | 4,496  | 8,882  | 11,603 | 11,158 | 1,700  | 1,950  | 2,260  | 3,231  | 4,236  | 3,095  | 4,127  | 3,204  | 4,027  | 5,936  | 14,470 |
| Other <sup>1</sup>                       | 29,511 | 22,898 | 16,190 | 20,624 | 30,415 | 34,437 | 43,838 | 50,891 | 47,598 | 36,153 | 49,378 | 31,884 | 37,411 | 35,228 | 45,018 |
| Total                                    | 34,007 | 31,780 | 27,793 | 31,782 | 32,115 | 36,387 | 46,098 | 54,122 | 51,834 | 39,248 | 53,505 | 35,088 | 41,438 | 41,164 | 59,488 |

Table continued on following page.

**Table I-5--Continued**  
**Stainless steel flanges: U.S. imports from India and Taiwan, 1990-2004**

| Item   | 1990 | 1991 | 1992 | 1993 | 1994 | 1995             | 1996 | 1997 | 1998 | 1999 | 2000             | 2001 | 2002 | 2003 | 2004 |
|--|------|------|------|------|------|------------------|------|------|------|------|------------------|------|------|------|------|
| <b>Landed duty-paid unit value (dollars per pound)</b> |      |      |      |      |      |                  |      |      |      |      |                  |      |      |      |      |
| Finished flanges:                                      |      |      |      |      |      |                  |      |      |      |      |                  |      |      |      |      |
| India  | 1.96 | 1.76 | 1.87 | 1.57 | 1.08 | 0.93             | 1.64 | 1.45 | 1.87 | 1.66 | 1.19             | 0.76 | 0.98 | 1.79 | 2.45 |
| Taiwan   | 3.16 | 3.27 | 3.07 | 3.16 | 2.67 | 3.61             | 3.36 | 3.13 | 2.68 | 2.51 | 3.78             | 2.62 | 2.51 | 2.92 | 4.40 |
| Subtotal   | 2.55 | 2.76 | 2.43 | 2.14 | 1.59 | 2.13             | 2.68 | 1.94 | 2.37 | 1.89 | 1.68             | 1.13 | 1.16 | 1.94 | 2.85 |
| Other <sup>1</sup>                                     | 4.34 | 2.68 | 2.64 | 3.18 | 2.64 | 3.13             | 3.33 | 2.94 | 2.49 | 2.30 | 2.22             | 2.11 | 2.12 | 2.25 | 2.72 |
| Total  | 3.93 | 2.70 | 2.58 | 2.86 | 2.55 | 3.01             | 3.29 | 2.87 | 2.49 | 2.27 | 2.18             | 1.99 | 2.00 | 2.22 | 2.74 |
| Forgings:  |      |      |      |      |      |                  |      |      |      |      |                  |      |      |      |      |
| India  | 1.59 | 1.56 | 1.46 | 1.46 | 0.56 | ( <sup>2</sup> ) | 1.76 | 1.73 | 1.30 | 1.38 | 1.32             | 1.58 | 1.34 | 1.46 | 2.18 |
| Taiwan   | 4.02 | 4.28 | 1.65 | 1.58 | 2.88 | 1.17             | 3.50 | 2.50 | 2.64 | 2.48 | ( <sup>2</sup> ) | 2.33 | 2.99 | 2.80 | 2.25 |
| Subtotal   | 2.11 | 1.58 | 1.47 | 1.48 | 0.68 | 1.17             | 1.85 | 1.81 | 1.31 | 1.45 | 1.32             | 1.58 | 1.44 | 1.50 | 2.18 |
| Other <sup>1</sup>                                     | 2.25 | 1.95 | 1.61 | 1.27 | 1.38 | 1.79             | 1.77 | 1.82 | 1.77 | 1.45 | 1.29             | 1.01 | 0.74 | 1.36 | 1.73 |
| Total  | 2.24 | 1.79 | 1.52 | 1.37 | 1.32 | 1.79             | 1.77 | 1.82 | 1.68 | 1.45 | 1.30             | 1.09 | 0.86 | 1.43 | 2.04 |
| Total, stainless steel flanges:                        |      |      |      |      |      |                  |      |      |      |      |                  |      |      |      |      |
| India  | 1.89 | 1.60 | 1.56 | 1.49 | 0.81 | 0.93             | 1.71 | 1.59 | 1.36 | 1.48 | 1.24             | 1.05 | 1.10 | 1.58 | 2.25 |
| Taiwan   | 3.22 | 3.28 | 2.80 | 2.41 | 2.69 | 3.51             | 3.36 | 3.00 | 2.67 | 2.51 | 3.78             | 2.62 | 2.61 | 2.91 | 4.31 |
| Subtotal   | 2.49 | 2.09 | 1.82 | 1.68 | 1.20 | 2.11             | 2.33 | 1.88 | 1.57 | 1.64 | 1.55             | 1.27 | 1.25 | 1.68 | 2.38 |
| Other <sup>1</sup>                                     | 3.53 | 2.43 | 2.30 | 2.20 | 2.12 | 2.45             | 2.54 | 2.47 | 2.20 | 2.01 | 1.93             | 1.80 | 1.77 | 2.12 | 2.61 |
| Total  | 3.35 | 2.33 | 2.07 | 1.98 | 2.03 | 2.43             | 2.53 | 2.42 | 2.14 | 1.97 | 1.90             | 1.73 | 1.70 | 2.04 | 2.55 |

<sup>1</sup> The largest other sources of forgings were Italy, Korea, and Russia in 1992; Korea in 1999; and Italy in 2004. The largest other sources of finished flanges were Japan, China, and Italy in 1992; Italy, Mexico, and the Philippines in 1999; and Italy, Korea, Mexico, and the Philippines in 2004.

<sup>2</sup> Not applicable.

Source: *Staff Report*, January 18, 1994 (INV-R-010), table 18 (for 1990-92 data (which were official Commerce statistics)); official Commerce statistics for 1993-2004. Note that landed, duty-paid values do not include any antidumping duty.

Although there are no current import pricing data available, table I-5 and figure I-2 present import unit values based on the landed duty-paid values for official Commerce statistics. As shown, the unit values of forgings and finished flanges from India were lower than the unit values of forgings and finished flanges from Taiwan throughout the entire period from 1990 to 2004. Average unit values of imports from Taiwan were higher than those from all other sources in all but one year for forgings and all but two years for finished flanges. As noted in the Commission's report during the first five-year reviews, unit values of finished flanges from India and Taiwan and forgings from India were lower in 1999 than during the period reviewed during the original investigations. The unit value of forgings from Taiwan in 1999 was higher than that reported in 1992, but remained well below the figures from 1990 and 1991. Since 1999, however, the unit values of finished flanges from India and Taiwan and forgings from India climbed erratically to record highs reported in 2004. The unit value of forgings from Taiwan in 2004 was lower than that reported in 1999.

### Cumulation Considerations

In assessing whether subject imports are likely to compete with each other and with the domestic like product with respect to cumulation, the Commission generally has considered the following four factors: (1) the degree of fungibility, including specific customer requirements and other quality-related questions; (2) presence of sales or offers to sell in the same geographical markets; (3) common channels of distribution; and (4) simultaneous presence in the market.

During the original investigations, the Commission cumulated subject imports from India and Taiwan for purposes of determining whether there was a threat of material injury by reason of LTFV imports. It stated in its original views that "{t}here is evidence on the record indicating that the imported and domestic stainless steel flanges are essentially fungible, although there is also evidence of some perceived quality differences among forgings and among finished flanges. . . The evidence on the record indicates that the subject imports from Taiwan and India and the domestic like product have been simultaneously present in the same geographical U.S. markets."<sup>123</sup> It further noted that "subject imports and the domestic product have similar channels of distribution."<sup>124</sup> In the first five-year reviews, the Commission once again cumulated the subject imports, observing that it "examined not only the Commission's traditional competition factors, but also other significant conditions of competition that are likely to prevail if the orders under review are revoked."<sup>125</sup>

Available information concerning fungibility and channels of distribution are presented in the sections of this report entitled "Interchangeability" and "Channels of Distribution," respectively. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

Subsequent to completion of the Commission's first five-year reviews, most imported stainless steel flanges from Taiwan have been of the finished product (table I-6). In fact, no forgings from Taiwan were imported during 2000 and only one percent of total U.S. imports of subject merchandise from Taiwan were of flange forgings during 2001. During 2002-03, the share of total U.S. imports of subject merchandise from Taiwan held by forgings increased to 20-23 percent, falling back to 4 percent during

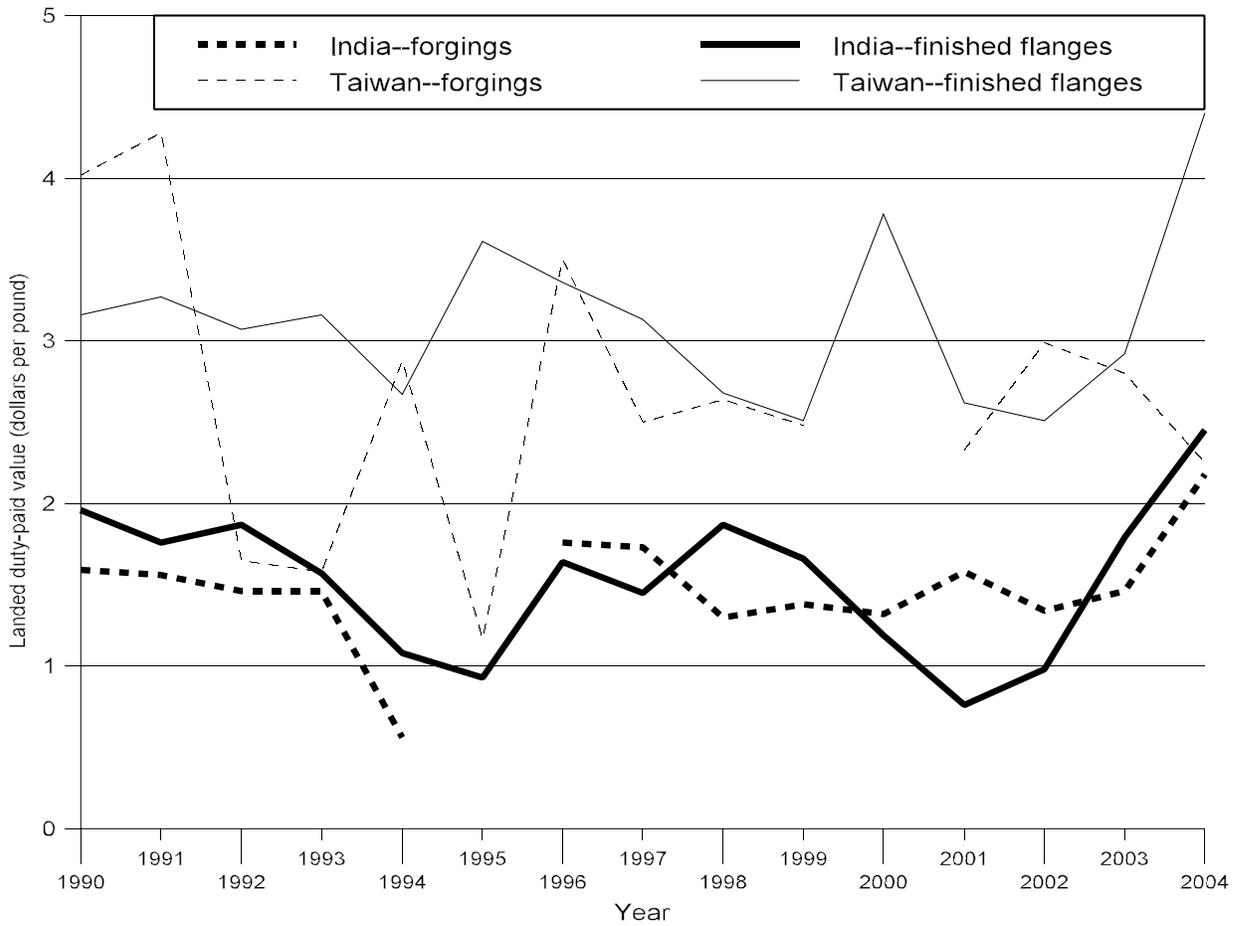
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<sup>123</sup> *Stainless Steel Flanges from India and Taiwan, Inv. Nos. 731-TA-639 and 640 (Final)*, USITC Publication 2724, February 1994, pp. I-15 and I-16.

<sup>124</sup> *Ibid.*

<sup>125</sup> *Stainless Steel Flanges from India and Taiwan, Inv. Nos. 731-TA-639 and 640 (Review)*, USITC Publication 3329, July 2000, pp. 6-8.

**Figure I-2**  
**Stainless steel flanges: Landed duty-paid unit values of U.S. imports from India and Taiwan, 1990-2004**



Source: *Staff Report*, January 18, 2004 (INV-R-010), table 18 (1990-92 (which were from official Commerce statistics)), and official Commerce statistics for 1993-2004. Stainless steel flanges are provided for under HTS statistical reporting numbers 7307.21.1000 (forgings) and 7307.21.5000 (finished flanges).

**Table I-6**  
**Stainless steel flanges: Shares of forgings and finished flanges imported from India and Taiwan (on the basis of quantity), by source and type, 2000-04**

| Item                    | Calendar year |       |       |       |       |
|-------------------------|---------------|-------|-------|-------|-------|
|                         | 2000          | 2001  | 2002  | 2003  | 2004  |
| <b>Shares (percent)</b> |               |       |       |       |       |
| India:                  |               |       |       |       |       |
| Forgings                | 39.2          | 35.7  | 33.7  | 62.8  | 75.0  |
| Finished flanges        | 60.8          | 64.3  | 66.3  | 37.2  | 25.0  |
| Total                   | 100.0         | 100.0 | 100.0 | 100.0 | 100.0 |
| Taiwan:                 |               |       |       |       |       |
| Forgings                | 0.0           | 0.9   | 20.3  | 22.9  | 4.1   |
| Finished flanges        | 100.0         | 99.1  | 79.7  | 77.1  | 95.9  |
| Total                   | 100.0         | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Table I-5.

2004.<sup>126</sup> Concerning the subject imports from India, approximately two-thirds were of the finished product during 2000-02. Since that time, however, the share of U.S. imports of the subject merchandise from India held by flange forgings has increased. During 2003, almost two-thirds of the subject imports from India were of flange forgings. Further, such imports accounted for three-fourths of total subject stainless steel flanges from India during 2004.<sup>127</sup>

Official import statistics, by customs district, reflect somewhat overlapping ports of entry for imports of stainless steel flanges from the subject countries (table I-7). These data indicate that from 2000 to 2004 imports of stainless steel flanges from India and Taiwan each entered the United States through California, Florida, Georgia, Illinois, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, New York, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Vermont, and Washington. During that time, subject imports from India entered primarily through the ports of Boston, Charleston, Chicago, Detroit, Houston-Galveston, Los Angeles, New York, Norfolk, and Savannah. Subject imports from Taiwan entered the United States primarily through the ports of Chicago, Dallas-Fort Worth, Great Falls, Houston/Galveston, Los Angeles, New York, San Francisco, and Tampa.<sup>128</sup>

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<sup>126</sup> During January-September 2005, the share of total U.S. imports of subject merchandise from Taiwan (on a quantity basis) held by flange forgings was 5.6 percent.

<sup>127</sup> During January-September 2005, 71.1 percent of the subject imports from India were of flange forgings.

<sup>128</sup> Official import statistics for January-September 2005 indicate that imports of stainless steel flanges from India and Taiwan each entered the United States through California, Florida, Illinois, Massachusetts, Michigan, Minnesota, Montana, New York, and Texas. Imports from India also entered the United States through Alabama, Georgia, Louisiana, North Carolina, Oregon, Pennsylvania, South Carolina, Vermont, Virginia, and Washington and imports from Taiwan also entered the United States through Ohio. During the first nine months of 2005, subject imports from India entered primarily through the ports of Charleston, Chicago, Detroit, Houston-Galveston, Los Angeles, Mobile, New York, Norfolk, Philadelphia and Savannah, whereas subject imports from Taiwan entered the United States primarily through the ports of Boston, Dallas-Fort Worth, Great Falls, New York, San Francisco, and Tampa.

**Table I-7**  
**Stainless steel flanges: U.S. imports from India and Taiwan, by customs district, 2000-04**

| District                       | Source | Calendar year    |                  |                  |      |       |
|--------------------------------|--------|------------------|------------------|------------------|------|-------|
|                                |        | 2000             | 2001             | 2002             | 2003 | 2004  |
| <b>Quantity (1,000 pounds)</b> |        |                  |                  |                  |      |       |
| Anchorage, AK                  | Taiwan | ( <sup>1</sup> ) | ( <sup>1</sup> ) | 0                | 0    | 1     |
| Baltimore, MD                  | India  | 8                | 0                | 0                | 36   | 34    |
|                                | Taiwan | 0                | 2                | 0                | 0    | 0     |
| Boston, MA                     | India  | 7                | 3                | 10               | 155  | 225   |
|                                | Taiwan | 0                | 1                | ( <sup>1</sup> ) | 0    | 3     |
| Buffalo, NY                    | India  | 16               | 12               | 18               | 0    | 38    |
| Charleston, SC                 | India  | 0                | 1                | 28               | 354  | 304   |
|                                | Taiwan | 3                | 0                | 0                | 0    | 0     |
| Charlotte, NC                  | India  | 0                | 24               | 0                | 0    | 37    |
| Chicago, IL                    | India  | 251              | 413              | 85               | 127  | 514   |
|                                | Taiwan | 35               | 26               | 60               | 54   | 0     |
| Cleveland, OH                  | India  | 37               | 38               | 6                | 0    | 0     |
|                                | Taiwan | 2                | 4                | 7                | 1    | 1     |
| Columbia-Snake, OR             | India  | 41               | 55               | 23               | 12   | 54    |
|                                | Taiwan | 0                | 0                | 18               | 0    | 2     |
| Dallas-Fort Worth, TX          | India  | 0                | 0                | 0                | 0    | 2     |
|                                | Taiwan | 126              | 104              | 60               | 1    | 12    |
| Detroit, MI                    | India  | 689              | 526              | 772              | 624  | 1,277 |
|                                | Taiwan | 7                | 0                | 0                | 0    | 1     |
| Great Falls, MT                | Taiwan | 0                | 0                | 0                | 6    | 55    |
| Houston-Galveston, TX          | India  | 628              | 96               | 328              | 142  | 502   |
|                                | Taiwan | 38               | 0                | 0                | 0    | 41    |
| Los Angeles, CA                | India  | 5                | 13               | 0                | 215  | 408   |
|                                | Taiwan | 15               | 5                | 2                | 17   | 3     |

Table continued on following page.

**Table I-7--Continued**  
**Stainless steel flanges: U.S. imports from India and Taiwan, by customs district, 2000-04**

| District  | Source | Calendar year    |                  |                  |      |                  |
|---|--------|------------------|------------------|------------------|------|------------------|
|   |        | 2000             | 2001             | 2002             | 2003 | 2004             |
| <b>Quantity (1,000 pounds)</b>  |        |                  |                  |                  |      |                  |
| Miami, FL   | India  | 27               | 0                | 53               | 0    | 0                |
|   | Taiwan | ( <sup>1</sup> ) | 0                | 2                | 0    | 0                |
| Milwaukee, WI   | Taiwan | ( <sup>1</sup> ) | 1                | ( <sup>1</sup> ) | 0    | 0                |
| Minneapolis, MN   | India  | 2                | 22               | 9                | 42   | 29               |
|   | Taiwan | 0                | 0                | ( <sup>1</sup> ) | 1    | 3                |
| New Orleans, LA   | India  | 0                | 45               | 1                | 31   | 16               |
|   | Taiwan | 0                | 0                | 0                | 0    | ( <sup>1</sup> ) |
| New York, NY  | India  | 157              | 349              | 156              | 961  | 1,021            |
|   | Taiwan | 16               | 8                | 15               | 17   | 28               |
| Norfolk, VA   | India  | 295              | 442              | 1,115            | 77   | 373              |
| Ogdensburg, NY  | India  | 0                | 0                | 0                | 0    | 1                |
| Philadelphia, PA  | India  | 45               | 50               | 72               | 134  | 91               |
|   | Taiwan | 10               | 0                | 3                | 0    | ( <sup>1</sup> ) |
| Providence, RI  | India  | 33               | 0                | 0                | 0    | 0                |
|   | Taiwan | 2                | 0                | 0                | 0    | 0                |
| San Francisco, CA   | India  | 28               | 0                | 26               | 0    | 0                |
|   | Taiwan | 41               | 40               | 40               | 65   | 65               |
| San Juan, PR  | Taiwan | 0                | 0                | 3                | 0    | 0                |
| Savannah, GA  | India  | 14               | 100              | 145              | 265  | 535              |
|   | Taiwan | 0                | ( <sup>1</sup> ) | 3                | 0    | 4                |
| Seattle, WA   | India  | 40               | 0                | 21               | 90   | 140              |
|   | Taiwan | 0                | 0                | 0                | 8    | 0                |
| St. Albans, VT  | India  | 0                | 0                | 0                | 19   | 17               |
|   | Taiwan | 0                | 0                | 0                | 1    | 0                |
| St. Louis, MO   | India  | 0                | 0                | 7                | 0    | 53               |
| Tampa, FL   | India  | 0                | 0                | 13               | 15   | 18               |
|   | Taiwan | 34               | 152              | 117              | 74   | 168              |
| <sup>1</sup> Less than 500 pounds.<br>Source: Compiled from official Commerce statistics. |        |                  |                  |                  |      |                  |

A review of monthly import data for January 2000 through December 2004 indicates that imports of stainless steel flanges from India and Taiwan entered the United States in every month during that time period (table I-8).<sup>129</sup>

### **Apparent U.S. Consumption and Market Shares**

The demand for finished flanges is closely tied to the level of industrial spending for new construction and for modernization and retrofitting of existing facilities.<sup>130</sup> Apparent U.S. consumption and market shares of finished flanges for the periods 1990-92, 1998, January-September 1999, 2000, 2003, and 2004 are presented in table I-9; data for forgings are shown in table I-10. (As indicated earlier, data provided by the domestic interested parties in their response concerning their stainless steel flange operations are listed in the category “finished flanges” and, thus, are presented in table I-9.) As presented in table I-9, apparent U.S. consumption of finished flanges appears to have risen from 1992 to 1998 and into 2000. However, the two most recent annual periods show an overall decline in apparent U.S. consumption of finished flanges compared with consumption in 1998 and 2000. The domestic interested parties in these current reviews stated that “the most notable development in supply and demand conditions for {stainless steel flanges} in the U.S. market reflected the dramatic decline in the U.S. economy over the period 2000-2003. Because stainless steel flanges are applied primarily in large capital investment projects such as process piping systems, the decline in capital improvements made in the U.S. economy during the recession significantly reduced use of the product in the U.S. market.”<sup>131</sup>

As shown in table I-9, U.S. producers’ market share (excluding shipments by Flow Components) for finished flanges rose by \*\*\* percentage points from 1990 to 1992 while the market share for subject imports increased by \*\*\* percentage points. U.S. producers’ market share for forgings fell 10 percentage points from 1990 to 1992 as subject imports increased their market share by 26 percentage points (table I-10). The share of the finished flange market held by U.S. producers in 1998 appeared to be comparable to that reported during annual periods examined in the original investigations; however, the U.S. producers’ market share has fallen markedly (by \*\*\* percentage points) since that time. The market share for U.S. imports of finished flanges from sources other than India and Taiwan has increased overall since the original investigations from \*\*\* percent in 1992, to \*\*\* percent in 1998, and further to \*\*\* percent in 2004. For the most recent periods, Italy, Korea, Mexico, and the Philippines accounted for the majority of U.S. imports of nonsubject stainless steel flanges.

## **THE FOREIGN INDUSTRIES**

### **India**

The petition for the original investigations listed 14 firms in India that produced and/or exported stainless steel flanges to the United States. To obtain information on the stainless steel flange industry in India during the original investigations, the Commission requested information from the American Embassy in New Delhi and from represented respondents Mukand, an Indian producer/exporter of stainless steel flanges, and Akai, an Indian exporter. The American Embassy in New Delhi did not provide the requested information and Mukand provided limited information concerning inventories and

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<sup>129</sup> Likewise, monthly import data indicate that imports of stainless steel flanges from India and Taiwan entered the United States in every month during January-September 2005.

<sup>130</sup> *Staff Report*, January 18, 1994 (INV-R-010), p. I-17.

<sup>131</sup> *Response* of domestic interested parties, August 22, 2005, p. 11.

**Table I-8**  
**Stainless steel flanges: U.S. imports, by source and by month, January 2000-December 2004**

| Period                         | India | Taiwan | Subtotal, subject countries | All other countries | Total, all countries |
|--------------------------------|-------|--------|-----------------------------|---------------------|----------------------|
| <b>Quantity (1,000 pounds)</b> |       |        |                             |                     |                      |
| 2000:                          |       |        |                             |                     |                      |
| January                        | 217   | 22     | 239                         | 1,482               | 1,721                |
| February                       | 87    | 17     | 104                         | 3,377               | 3,481                |
| March                          | 119   | 22     | 141                         | 3,535               | 3,676                |
| April                          | 100   | 29     | 129                         | 2,808               | 2,937                |
| May                            | 177   | 29     | 206                         | 3,086               | 3,292                |
| June                           | 717   | 20     | 737                         | 2,338               | 3,076                |
| July                           | 145   | 62     | 207                         | 1,907               | 2,114                |
| August                         | 96    | 33     | 129                         | 1,910               | 2,039                |
| September                      | 56    | 28     | 84                          | 1,670               | 1,754                |
| October                        | 166   | 20     | 186                         | 1,119               | 1,304                |
| November                       | 222   | 20     | 242                         | 1,085               | 1,327                |
| December                       | 222   | 28     | 250                         | 1,211               | 1,461                |
| Total                          | 2,324 | 331    | 2,654                       | 25,529              | 28,183               |
| 2001:                          |       |        |                             |                     |                      |
| January                        | 217   | 27     | 243                         | 1,384               | 1,627                |
| February                       | 121   | 23     | 144                         | 1,137               | 1,281                |
| March                          | 79    | 51     | 130                         | 783                 | 912                  |
| April                          | 231   | 59     | 290                         | 1,098               | 1,388                |
| May                            | 215   | 42     | 257                         | 1,224               | 1,480                |
| June                           | 269   | 20     | 289                         | 1,340               | 1,629                |
| July                           | 289   | 11     | 300                         | 2,996               | 3,296                |
| August                         | 25    | 26     | 51                          | 1,457               | 1,508                |
| September                      | 368   | 12     | 381                         | 1,064               | 1,445                |
| October                        | 114   | 10     | 124                         | 1,263               | 1,387                |
| November                       | 168   | 32     | 199                         | 1,657               | 1,857                |
| December                       | 93    | 30     | 124                         | 2,296               | 2,420                |
| Total                          | 2,187 | 344    | 2,531                       | 17,699              | 20,231               |

Table continued on following page.

**Table I-8--Continued**  
**Stainless steel flanges: U.S. imports, by source and by month, January 2000-December 2004**

| Period                         | India | Taiwan | Subtotal, subject countries | All other countries | Total, all countries |
|--------------------------------|-------|--------|-----------------------------|---------------------|----------------------|
| <b>Quantity (1,000 pounds)</b> |       |        |                             |                     |                      |
| 2002:<br>January               | 302   | 35     | 336                         | 2,052               | 2,388                |
| February                       | 65    | 3      | 68                          | 2,711               | 2,779                |
| March                          | 230   | 43     | 273                         | 1,807               | 2,080                |
| April                          | 300   | 11     | 311                         | 1,681               | 1,992                |
| May                            | 279   | 33     | 311                         | 1,186               | 1,497                |
| June                           | 202   | 23     | 225                         | 1,633               | 1,858                |
| July                           | 299   | 29     | 328                         | 1,735               | 2,062                |
| August                         | 297   | 18     | 315                         | 1,503               | 1,818                |
| September                      | 349   | 50     | 398                         | 1,390               | 1,788                |
| October                        | 189   | 7      | 195                         | 2,028               | 2,224                |
| November                       | 166   | 37     | 204                         | 1,554               | 1,758                |
| December                       | 208   | 43     | 251                         | 1,905               | 2,157                |
| Total                          | 2,886 | 329    | 3,216                       | 21,185              | 24,400               |
| 2003:<br>January               | 396   | 55     | 451                         | 1,644               | 2,095                |
| February                       | 395   | 18     | 412                         | 1,582               | 1,994                |
| March                          | 307   | 13     | 320                         | 1,643               | 1,963                |
| April                          | 189   | 17     | 205                         | 1,475               | 1,681                |
| May                            | 156   | 15     | 172                         | 1,243               | 1,415                |
| June                           | 182   | 17     | 199                         | 1,535               | 1,734                |
| July                           | 136   | 54     | 190                         | 1,462               | 1,652                |
| August                         | 267   | 2      | 269                         | 1,169               | 1,438                |
| September                      | 331   | 27     | 358                         | 1,069               | 1,427                |
| October                        | 404   | 18     | 422                         | 1,192               | 1,614                |
| November                       | 285   | 5      | 290                         | 1,070               | 1,359                |
| December                       | 252   | 4      | 255                         | 1,509               | 1,765                |
| Total                          | 3,299 | 244    | 3,544                       | 16,594              | 20,138               |

Table continued on following page.

**Table I-8--Continued**  
**Stainless steel flanges: U.S. imports, by source and by month, January 2000-December 2004**

| Period  | India | Taiwan | Subtotal, subject countries | All other countries | Total, all countries |
|---|-------|--------|-----------------------------|---------------------|----------------------|
| <b>Quantity (1,000 pounds)</b>                      |       |        |                             |                     |                      |
| 2004:<br>January                                    | 429   | 28     | 457                         | 1,340               | 1,797                |
| February  | 414   | 15     | 429                         | 1,200               | 1,629                |
| March   | 360   | 41     | 402                         | 1,613               | 2,015                |
| April   | 504   | 37     | 541                         | 1,926               | 2,467                |
| May   | 460   | 45     | 505                         | 1,715               | 2,220                |
| June  | 279   | 59     | 338                         | 1,594               | 1,932                |
| July  | 536   | 25     | 561                         | 1,750               | 2,311                |
| August  | 387   | 69     | 456                         | 1,395               | 1,851                |
| September   | 441   | 8      | 450                         | 1,370               | 1,819                |
| October   | 925   | 8      | 933                         | 974                 | 1,907                |
| November  | 528   | 21     | 549                         | 1,378               | 1,927                |
| December  | 425   | 30     | 455                         | 994                 | 1,449                |
| Total   | 5,688 | 388    | 6,076                       | 17,249              | 23,325               |
| Source: Compiled from official Commerce statistics. |       |        |                             |                     |                      |

**Table I-9**

**Finished stainless steel flanges: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, by quantity, 1990-92, 1998, January-September 1999, 2000, 2003, and 2004<sup>1</sup>**

| Item   | 1990  | 1991  | 1992  | 1998             | Jan.-<br>Sept.   | 2000             | 2003             | 2004             |
|--|-------|-------|-------|------------------|------------------|------------------|------------------|------------------|
|  |       |       |       |                  | 1999             |                  |                  |                  |
| <b>Quantity (1,000 pounds)</b>   |       |       |       |                  |                  |                  |                  |                  |
| U.S. producers' U.S. shipments:<br>Flow Components   | ***   | ***   | ***   | ( <sup>2</sup> ) |
| All other firms  | ***   | ***   | ***   | ***              | ***              | ***              | ***              | ***              |
| Total  | ***   | ***   | ***   | ***              | ***              | ***              | ***              | ***              |
| U.S. imports:<br>India   | 788   | 615   | 1,210 | 255              | 341              | 1,413            | 1,228            | 1,422            |
| Taiwan   | 763   | 1,217 | 1,062 | 415              | 171              | 331              | 189              | 372              |
| Subtotal   | 1,551 | 1,832 | 2,272 | 670              | 512              | 1,744            | 1,417            | 1,794            |
| Other sources  | 5,104 | 6,182 | 4,691 | 12,978           | 7,989            | 17,557           | 14,200           | 15,262           |
| Total  | 6,655 | 8,014 | 6,963 | 13,648           | 8,501            | 19,301           | 15,617           | 17,056           |
| Apparent U.S. consumption  | ***   | ***   | ***   | ***              | ***              | ***              | ***              | ***              |
| <b>Share of consumption (percent)</b>  |       |       |       |                  |                  |                  |                  |                  |
| U.S. producers' U.S. shipments:<br>Flow Components   | ***   | ***   | ***   | ( <sup>2</sup> ) |
| All other firms  | ***   | ***   | ***   | ***              | ***              | ***              | ***              | ***              |
| Total  | ***   | ***   | ***   | ***              | ***              | ***              | ***              | ***              |
| U.S. imports:<br>India   | ***   | ***   | ***   | ***              | ***              | ***              | ***              | ***              |
| Taiwan   | ***   | ***   | ***   | ***              | ***              | ***              | ***              | ***              |
| Subtotal   | ***   | ***   | ***   | ***              | ***              | ***              | ***              | ***              |
| Other sources  | ***   | ***   | ***   | ***              | ***              | ***              | ***              | ***              |
| Total  | ***   | ***   | ***   | ***              | ***              | ***              | ***              | ***              |
| <p><sup>1</sup> As described earlier (see note to table I-4), the figures for total U.S. producers' U.S. shipments are believed to account for approximately *** percent of the total U.S. stainless steel flange industry during 1992, *** percent during 1998, and *** percent during 2004. Accordingly, the quantities presented for U.S. producers' shipments, apparent U.S. consumption, and U.S. producers' market share are understated.</p> <p><sup>2</sup> Appears to be zero. The domestic interested parties do not list Flow Components as a U.S. manufacturer of stainless steel flanges in their responses in the Commission's first and second five-year reviews.</p> |       |       |       |                  |                  |                  |                  |                  |
| <p>Source: <i>Staff Report</i>, January 18, 1994 (INV-R-010), tables C-3, C-3A, and 18, for 1990-92 (of which import data were official Commerce statistics); <i>Staff Report</i>, June 21, 2000 (INV-X-138), table I-3 for 1998 (of which import data were official Commerce statistics); 2000, 2003, and 2004 imports are from official Commerce statistics; and 2000, 2003, and 2004 U.S. producers' shipments are from the <i>Response</i> of the domestic interested parties, August 22, 2005, pp. 10-11 and exh. 4.</p>  |       |       |       |                  |                  |                  |                  |                  |

**Table I-10**  
**Forgings: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, by quantity, 1990-92, 1998,**  
**January-September 1999, 2000, 2003, and 2004<sup>1</sup>**

| Item   | 1990   | 1991   | 1992   | 1998             | Jan.-<br>Sept.   | 2000             | 2003             | 2004             |
|--|--------|--------|--------|------------------|------------------|------------------|------------------|------------------|
|  |        |        |        |                  | 1999             |                  |                  |                  |
| <b>Quantity (1,000 pounds)</b>   |        |        |        |                  |                  |                  |                  |                  |
| U.S. producers' U.S. shipments   | 6,748  | 8,533  | 8,086  | ( <sup>2</sup> ) |
| U.S. imports:  |        |        |        |                  |                  |                  |                  |                  |
| India  | 199    | 2,411  | 3,863  | 2,009            | 735              | 910              | 2,071            | 4,266            |
| Taiwan   | 55     | 12     | 257    | 14               | 44               | 0                | 56               | 16               |
| Subtotal   | 254    | 2,423  | 4,119  | 2,023            | 779              | 910              | 2,127            | 4,282            |
| Other sources  | 3,257  | 3,225  | 2,357  | 8,607            | 4,791            | 7,972            | 2,394            | 1,987            |
| Total  | 3,510  | 5,648  | 6,476  | 10,630           | 5,570            | 8,882            | 4,521            | 6,269            |
| Apparent U.S. consumption  | 10,258 | 14,181 | 14,562 | ( <sup>2</sup> ) |
| <b>Share of consumption (percent)</b>  |        |        |        |                  |                  |                  |                  |                  |
| U.S. producers' U.S. shipments:  | 65.8   | 60.2   | 55.5   | ( <sup>2</sup> ) |
| U.S. imports:  |        |        |        |                  |                  |                  |                  |                  |
| India  | 1.9    | 17.0   | 26.5   | ( <sup>2</sup> ) |
| Taiwan   | 0.5    | 0.1    | 1.8    | ( <sup>2</sup> ) |
| Subtotal   | 2.5    | 17.1   | 28.3   | ( <sup>2</sup> ) |
| Other sources  | 31.7   | 22.7   | 16.2   | ( <sup>2</sup> ) |
| Total  | 34.2   | 39.8   | 44.5   | ( <sup>2</sup> ) |
| <sup>1</sup> As described earlier (see note to table I-4), the figures for total U.S. producers' U.S. shipments are believed to be under-reported. Accordingly, the quantities presented for U.S. producers' shipments, apparent U.S. consumption, and U.S. producers' market share are understated.<br><sup>2</sup> Not available.            |        |        |        |                  |                  |                  |                  |                  |
| Source: <i>Staff Report</i> , January 18, 1994 (INV-R-010), table C-2, for 1990-92 (of which import data were official Commerce statistics); <i>Staff Report</i> , June 21, 2000 (INV-X-138), table I-3 for 1998 (of which import data were official Commerce statistics); 2000, 2003, and 2004 imports are from official Commerce statistics. |        |        |        |                  |                  |                  |                  |                  |

exports only in the preliminary investigations.<sup>132</sup> Akai was a trading company that contracted for the production of the subject product.<sup>133</sup> Its flange operations, which were a \*\*\* part of its overall business, started in 1991; sales were primarily to \*\*\*.<sup>134</sup> Mukand was \*\*\*.<sup>135</sup> During the original investigations, \*\*\*. Table I-11 presents data on combined inventories and export shipments of Akai and Mukand for 1990 and 1991.<sup>136</sup> As shown, their total exports of finished flanges and forgings increased sharply from 1990 to 1991. The two firms (the most significant of which, in terms of U.S. exports, was \*\*\*) appear to have accounted for almost all exports of subject product from India to the United States during the 1990-91 period.<sup>137 138</sup>

As indicated earlier, Commerce published separate rates for five Indian firms in its December 1993 determinations of LTFV sales.<sup>139</sup> Since that time, Commerce has conducted new shipper reviews for 11 additional firms in India.<sup>140</sup> The domestic interested parties in these current reviews provided in their response a list of 23 firms in India that currently export or have exported subject merchandise to the United States or other countries after 1998.<sup>141</sup>

There are no data available for Indian producers' capacity, production, or shipments of stainless steel flanges for time periods subsequent to those examined in the original investigations. However, the domestic interested parties in this second five-year review reported that "the Indian industry has greatly increased its ability to produce and export stainless flanges since the time of the previous sunset review, and thus Indian imports into the U.S. market would likely increase dramatically in the event of revocation."<sup>142</sup> *World Trade Atlas* statistics concerning exports of flanges (HTS subheading 7307.21) from India for selected time periods subsequent to the original investigations are also presented in table I-11. These data show that Indian exports to the world have increased from a level of about 9 million pounds in 1999 to more than 45 million pounds in 2004.<sup>143</sup> The Indian product was primarily exported to the United States during this time period, accounting for 41.3 percent of total Indian exports of stainless steel flanges during 2004. Other major export markets for the Indian product include Germany, the United Kingdom, and Spain.

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<sup>132</sup> *Staff Report*, January 18, 1994 (INV-R-010), p. I-41.

<sup>133</sup> Commerce's notice of its determination of final LTFV sales for India states that "Akai argues that it is the producer of the subject merchandise insofar as it purchases and delivers the raw materials to subcontractors, controls the production and inspection of the end products, and owns the machines which were used for the finishing of flanges at its related party." Commerce determined that Akai was a manufacturer of the subject flanges. 58 FR 68853, December 29, 1993.

<sup>134</sup> See table 16 of the *Staff Report*, January 18, 1994 (INV-R-010) for Akai's data on its finished flange and forgings operations.

<sup>135</sup> According to the staff report for the original investigations, \*\*\*. \*\*\*.

<sup>136</sup> Mukand did not provide data for 1992.

<sup>137</sup> Compare exports to the United States for 1990-91 in table I-11 of this report to U.S. imports from India in table I-5.

<sup>138</sup> *Staff Report*, January 18, 1994 (INV-R-010), pp. I-44 through I-47.

<sup>139</sup> The five firms are as follows: Akai, Bombay Forgings, Dynaforge, Mukand, and Sunstar.

<sup>140</sup> The 11 additional firms are as follows: Isibars, Panchmahal, Patheja, Viraj, Bhansali, Echjay, Metal Forgings, Pushpaman, Snowdrop, Chandan, and Hilton.

<sup>141</sup> *Response* of domestic interested parties, August 22, 2005, exh. 6.

<sup>142</sup> *Ibid.*, p. 5.

<sup>143</sup> See *World Trade Atlas* statistics for HTS subheading 7307.21 for India.

**Table I-11**  
**Stainless steel flanges: India's inventories and export shipments, 1990-92, 1998-2000, 2003, and 2004**

| Item                            | 1990 | 1991 | 1992             | 1998             | 1999             | 2000             | 2003             | 2004             |
|---------------------------------|------|------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Quantity (1,000 pounds)</b>  |      |      |                  |                  |                  |                  |                  |                  |
| Finished flanges:               |      |      |                  |                  |                  |                  |                  |                  |
| Ending inventories              | ***  | ***  | ( <sup>1</sup> ) | ( <sup>2</sup> ) |
| Exports to--                    |      |      |                  |                  |                  |                  |                  |                  |
| United States                   | ***  | ***  | ( <sup>1</sup> ) | ( <sup>2</sup> ) |
| All other                       | ***  | ***  | ( <sup>1</sup> ) | ( <sup>2</sup> ) |
| Total                           | ***  | ***  | ( <sup>1</sup> ) | ( <sup>2</sup> ) |
| Forgings:                       |      |      |                  |                  |                  |                  |                  |                  |
| Ending inventories              | ***  | ***  | ( <sup>1</sup> ) | ( <sup>2</sup> ) |
| Exports to--                    |      |      |                  |                  |                  |                  |                  |                  |
| United States                   | ***  | ***  | ( <sup>1</sup> ) | ( <sup>2</sup> ) |
| All other                       | ***  | ***  | ( <sup>1</sup> ) | ( <sup>2</sup> ) |
| Total                           | ***  | ***  | ( <sup>1</sup> ) | ( <sup>2</sup> ) |
| Total, stainless steel flanges: |      |      |                  |                  |                  |                  |                  |                  |
| Ending inventories              | ***  | ***  | ( <sup>1</sup> ) | ( <sup>2</sup> ) |
| Exports to--                    |      |      |                  |                  |                  |                  |                  |                  |
| United States <sup>3</sup>      | ***  | ***  | ( <sup>1</sup> ) | ( <sup>2</sup> ) | 2,574            | 8,411            | 7,025            | 18,686           |
| All other                       | ***  | ***  | ( <sup>1</sup> ) | ( <sup>2</sup> ) | 6,504            | 7,050            | 16,305           | 26,576           |
| Total                           | ***  | ***  | ( <sup>1</sup> ) | ( <sup>2</sup> ) | 9,078            | 15,461           | 23,330           | 45,262           |

<sup>1</sup> Data are not available for both reporting firms and are therefore not presented.

<sup>2</sup> Not available.

<sup>3</sup> Statistics from the *World Trade Atlas* concerning Indian exports of stainless steel flanges to the United States do not agree with official U.S. import statistics (see table I-5).

Source: *Staff Report*, January 18, 1994 (INV-R-010), pp. I-46 and I-48, for 1990-91 data (which were provided by Akai and Mukand); and statistics from the *World Trade Atlas* for 1999-2000 and 2003-04 data.

## Taiwan

The petition for the original investigations listed six firms in Taiwan that produced and/or exported stainless steel flanges to the United States. To obtain information on the stainless steel flange industry in Taiwan, the Commission requested information from the American Institute on Taiwan (“AIT”) and from represented respondent Enlin, a Taiwan producer/exporter of stainless steel flanges. The industry in Taiwan was reported at the time of the original investigations to have become relatively modernized and capital intensive, using technology and equipment developed in Japan. Flanges from Taiwan were, according to the AIT, of “high quality” and could “command high prices.” The two leading manufacturers in Taiwan at that time were Enlin and Tay Precision; additional producers consisted of San Eng, San Yuan, and Ta Chen.<sup>144</sup> During the original investigations, data for only one firm in Taiwan were obtained. These data provided by Enlin are presented in table I-12.<sup>145</sup>

Commerce published separate rates for three Taiwan firms (Enlin, Ta Chen, and Tay Precision) in its December 1993 determinations of LTFV sales. Since that time, Commerce has conducted no new shipper reviews for firms in Taiwan. The domestic interested parties in these current reviews identified the following two firms in Taiwan that currently export or have exported subject merchandise to the United States or other countries after 1998: Enlin and Ta Chen.<sup>146 147</sup>

Enlin’s production capacity \*\*\* from 1990 to 1991 due to \*\*\*. Utilization of that capacity ranged from \*\*\* percent in 1990 to \*\*\* percent in 1991 to \*\*\* percent in 1992. Home market shipments by Enlin were \*\*\* compared with its export shipments; in 1992, \*\*\* percent of its exports were to \*\*\*.<sup>148</sup>

There are no data available for Taiwan producers’ capacity, production, or shipments of stainless steel flanges for time periods subsequent to those examined in the original investigations. However, *World Trade Atlas* statistics concerning exports of flanges (HTS subheading 7307.21) from Taiwan for selected time periods subsequent to the original investigations are presented in table I-12. These data

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<sup>144</sup> \*\*\*.

<sup>145</sup> See table 15 of the *Staff Report*, January 18, 1994 (INV-R-010) for Enlin’s data on its finished flange operations. Enlin’s exports of finished flanges to the United States in 1992 accounted for \*\*\* percent of total U.S. imports of such flanges from Taiwan (based on a comparison of table I-12 and table I-5).

<sup>146</sup> *Response* of the domestic interested parties, August 22, 2005, exh. 6. Nine additional firms in Taiwan that appear to be producers of subject flanges are listed at *Taiwan Products Online* at <http://www.manufacturers.com.tw>. Many of these firms also indicate that they serve worldwide export markets. The nine firms include the following: Haitima Corp. (manufacturer established in 1984 with total company annual sales of \$40-60 million and 251-500 employees); King Lai International Co., Ltd. (manufacturer with total company annual sales of \$2 million and 1-50 employees); YES Stainless International Co., Ltd. (manufacturer/exporter established in 1990 with total company annual sales of \$2 million and 1-50 employees); Jui Ming Metal Industrial Co., Ltd. (manufacturer/exporter established in 1991 with total company annual sales of \$4-6 million and 1-50 employees); Chenbros Metal Co., Ltd. (manufacturer established in 1977 with total company annual sales of \$2 million and 1-50 employees); Shiang Pin Industry Co., Ltd. (manufacturer established in 1987 with annual production capacity of 600 tons); T-One-S Trading, Inc.; Rexmech International Co., Ltd. (manufacturer/exporter established in 1997); and Mainchain International, Inc.

<sup>147</sup> Tay Precision, identified as a leading manufacturer of stainless steel flanges in Taiwan during the original investigations, was not identified by the domestic interested parties as a producer of the subject merchandise during the Commission’s first or second five-year reviews. Current websites list Tay Precision’s address in Thailand but indicate that the “company is managed by {a} professional team from Taiwan with over 20 years of manufacturing technology experience.” The websites also list Tay Precision as a producer of cast, rather than forged, stainless steel flanges. See <http://www.tayprecision.com/company.html> and [http://www.ttnet.net/search-bin/show\\_html.jsp?cartno=63.173.254.254214924&oday=2005/11/14&cono=10029043&type1=A](http://www.ttnet.net/search-bin/show_html.jsp?cartno=63.173.254.254214924&oday=2005/11/14&cono=10029043&type1=A).

<sup>148</sup> *Staff Report*, January 18, 1994 (INV-R-010), pp. I-43 through I-45.

**Table I-12**

**Stainless steel flanges: Taiwan's capacity, production, capacity utilization, inventories, and shipments, 1990-92, 1998-2000, 2003, and 2004**

| Item  | 1990             | 1991             | 1992             | 1998             | 1999             | 2000             | 2003             | 2004             |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Quantity (1,000 pounds)</b>  |                  |                  |                  |                  |                  |                  |                  |                  |
| Finished flanges:   |                  |                  |                  |                  |                  |                  |                  |                  |
| Production capacity   | ***              | ***              | ***              | ( <sup>1</sup> ) |
| Production  | ***              | ***              | ***              | ( <sup>1</sup> ) |
| Capacity utilization ( <i>percent</i> )   | ***              | ***              | ***              | ( <sup>1</sup> ) |
| Ending inventories  | ***              | ***              | ***              | ( <sup>1</sup> ) |
| Shipments:  |                  |                  |                  |                  |                  |                  |                  |                  |
| Home market   | ***              | ***              | ***              | ( <sup>1</sup> ) |
| Exports to--  |                  |                  |                  |                  |                  |                  |                  |                  |
| United States   | ***              | ***              | ***              | ( <sup>1</sup> ) |
| All other   | ***              | ***              | ***              | ( <sup>1</sup> ) |
| Total exports   | ***              | ***              | ***              | ( <sup>1</sup> ) |
| Total shipments   | ***              | ***              | ***              | ( <sup>1</sup> ) |
| Total stainless steel flanges:  |                  |                  |                  |                  |                  |                  |                  |                  |
| Exports to--  |                  |                  |                  |                  |                  |                  |                  |                  |
| United States <sup>2</sup>  | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) | 18               | 49               | 51               | 35               |
| All other   | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) | 3,353            | 1,398            | 328              | 624              |
| Total exports   | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) | 3,371            | 1,447            | 379              | 659              |
| <sup>1</sup> Not available.<br><sup>2</sup> Statistics from the <i>World Trade Atlas</i> concerning Taiwan exports of stainless steel flanges to the United States do not agree with official U.S. import statistics (see table I-5). |                  |                  |                  |                  |                  |                  |                  |                  |
| Source: <i>Staff Report</i> , January 18, 1994 (INV-R-010), p. I-45, for 1990-92 data (which were provided by Enlin); and statistics from the <i>World Trade Atlas</i> for 1999-2000 and 2003-04 data.                                |                  |                  |                  |                  |                  |                  |                  |                  |

show that Taiwan exports of stainless steel flanges to all sources were 3.4 million pounds in 1999, of which about 0.5 percent was exported to the United States. Slightly more than one-half of the Taiwan exports were to the Philippines during that year. Total exports of stainless steel flanges from Taiwan to the world have since fallen to less than 700,000 pounds in 2004. During that year, slightly more than 90 percent of Taiwan exports of stainless steel flanges were destined for Australia, China, Hong Kong, Indonesia, Malaysia, Singapore, and Thailand. The United States accounted for 5 percent of total exports of stainless steel flanges from Taiwan in 2004. The domestic interested parties in these second five-year reviews cited Taiwan export data obtained from the Taiwan Ministry of Finance in support of its argument that “the industry in Taiwan retains the ability to quickly expand its exports of stainless flanges.”<sup>149</sup>

<sup>149</sup> *Response* of the domestic interested parties, August 22, 2005, p. 5 and exh. 3.



**APPENDIX A**  
***FEDERAL REGISTER* NOTICES**



review to determine whether revocation of a countervailing or antidumping duty order or termination of an investigation suspended under section 704 or 734 would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as appropriate) and of material injury. As a courtesy, the Department provides advance notice of the cases that are scheduled for sunset reviews one month before those reviews are initiated.

**FOR FURTHER INFORMATION CONTACT:** Zev Primor, Office 4, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce at (202) 482-4114.

**SUPPLEMENTARY INFORMATION:**

**Upcoming Sunset Reviews**

There are no sunset reviews scheduled for initiation in August 2005.

For information on the Department's procedures for the conduct of sunset reviews, see 19 CFR 351.218. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98.3, "Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders;" Policy Bulletin, 63 FR 18871 (April 16, 1998).

This notice is not required by statute but is published as a service to the international trading community.

Dated: June 22, 2005.

**Holly A. Kuga,**

*Senior Office Director AD/CVD Operations, Office 4 for Import Administration.*

[FR Doc. E5-3474 Filed 6-30-05; 8:45 am]

**BILLING CODE 3510-DS-S**

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**Initiation of Five-year ("Sunset") Reviews**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** In accordance with section 751(c) of the Tariff Act of 1930, as amended ("the Act"), the Department of Commerce ("the Department") is automatically initiating five-year ("sunset") reviews of the antidumping duty orders listed below. The International Trade Commission ("the Commission") is publishing concurrently with this notice its notice of *Institution of Five-Year Review* which covers these same orders.

**EFFECTIVE DATE:** July 1, 2005.

**FOR FURTHER INFORMATION CONTACT:** Zev Primor, Office 4, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce at (202) 482-4114, or Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205-3193.

**SUPPLEMENTARY INFORMATION:**

**Background**

The Department's procedures for the conduct of sunset reviews are set forth in 19 CFR 351.218. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98.3 — *Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) (*Sunset Policy Bulletin*).

**Initiation of Reviews**

In accordance with 19 CFR 351.218(c), we are initiating the sunset reviews of the following antidumping and countervailing duty orders and suspended investigation:

| DOC Case No. | ITC Case No. | Country     | Product                              |
|--------------|--------------|-------------|--------------------------------------|
| C-122-815    | 701-TA-309-A | Canada      | Alloy Magnesium                      |
| C-122-815    | 701-TA-309-B | Canada      | Pure Magnesium                       |
| A-570-803    | 731-TA-457-A | PRC         | Axes & Adzes                         |
| A-570-803    | 731-TA-457-B | PRC         | Bars & Wedges                        |
| A-570-803    | 731-TA-457-C | PRC         | Hammers & Sledges                    |
| A-570-803    | 731-TA-457-D | PRC         | Picks & Mattocks                     |
| A-570-827    | 731-TA-669   | PRC         | Cased Pencils                        |
| A-351-809    | 731-TA-532   | Brazil      | Circular Welded Non-Alloy Steel Pipe |
| A-580-809    | 731-TA-533   | South Korea | Circular Welded Non-Alloy Steel Pipe |
| A-201-805    | 731-TA-534   | Mexico      | Circular Welded Non-Alloy Steel Pipe |
| A-583-814    | 731-TA-536   | Taiwan      | Circular Welded Non-Alloy Steel Pipe |
| A-357-802    | 731-TA-409   | Argentina   | Light-Walled Rectangular Pipe & Tube |
| A-583-803    | 731-TA-410   | Taiwan      | Light-Walled Rectangular Pipe & Tube |
| A-583-008    | 731-TA-132   | Taiwan      | Small Diameter Carbon Steel Pipe     |
| A-533-502    | 731-TA-271   | India       | Welded Carbon Steel Pipe             |
| A-549-502    | 731-TA-252   | Thailand    | Welded Carbon Steel Pipe             |
| A-489-501    | 731-TA-273   | Turkey      | Welded Carbon Steel Pipe             |
| C-489-502    | 701-TA-253   | Turkey      | Welded Carbon Steel Standard Pipe    |
| A-533-809    | 731-TA-639   | India       | Forged Stainless Steel Flanges       |
| A-583-821    | 731-TA-640   | Taiwan      | Forged Stainless Steel Flanges       |
| A-570-826    | 731-TA-663   | PRC         | Paper Clips                          |
| A-351-819    | 731-TA-636   | Brazil      | Stainless Steel Wire Rod             |
| A-427-811    | 731-TA-637   | France      | Stainless Steel Wire Rod             |
| A-533-808    | 731-TA-638   | India       | Stainless Steel Wire Rod             |
| A-588-854    | 731-TA-860   | Japan       | Tin Mill Products                    |
| A-821-802    | 731-TA-539-C | Russia      | Uranium                              |

**Filing Information**

As a courtesy, we are making information related to sunset proceedings, including copies of the Department's regulations regarding

sunset reviews (19 CFR 351.218) and *Sunset Policy Bulletin*, the Department's schedule of sunset reviews, case history information (i.e., previous margins, duty absorption determinations, scope language, import volumes), and service

lists available to the public on the Department's sunset Internet website at the following address: "<http://ia.ita.doc.gov/sunset/>." All submissions in these sunset reviews must be filed in accordance with the Department's

regulations regarding format, translation, service, and certification of documents. These rules can be found at 19 CFR 351.303.

Because deadlines in a sunset review can be very short, we urge interested parties to apply for access to proprietary information under administrative protective order ("APO") immediately following publication in the **Federal Register** of the notice of initiation of the sunset review. The Department's regulations on submission of proprietary information and eligibility to receive access to business proprietary information under APO can be found at 19 CFR 351.304–306.

#### Information Required from Interested Parties

Domestic interested parties (defined in section 771(9)(C), (D), (E), (F), and (G) of the Act and 19 CFR 351.102(b)) wishing to participate in these sunset reviews must respond not later than 15 days after the date of publication in the **Federal Register** of the notice of initiation by filing a notice of intent to participate. The required contents of the notice of intent to participate are set forth at 19 CFR 351.218(d)(1)(ii). In accordance with the Department's regulations, if we do not receive a notice of intent to participate from at least one domestic interested party by the 15-day deadline, the Department will automatically revoke the orders without further review. *See* 19 CFR 351.218(d)(1)(iii).

If we receive an order-specific notice of intent to participate from a domestic interested party, the Department's regulations provide that *all parties* wishing to participate in the sunset review must file complete substantive responses not later than 30 days after the date of publication in the **Federal Register** of the notice of initiation. The required contents of a substantive response, on an order-specific basis, are set forth at 19 CFR 351.218(d)(3). Note that certain information requirements differ for respondent and domestic parties. Also, note that the Department's information requirements are distinct from the Commission's information requirements. Please consult the Department's regulations for information regarding the Department's conduct of sunset reviews.<sup>1</sup> Please

<sup>1</sup> In comments made on the interim final sunset regulations, a number of parties stated that the proposed five-day period for rebuttals to substantive responses to a notice of initiation was insufficient. This requirement was retained in the final sunset regulations at 19 CFR 351.218(d)(4). As provided in 19 CFR 351.302(b), however, the Department will consider individual requests for extension of that five-day deadline based upon a showing of good cause.

consult the Department's regulations at 19 CFR Part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at the Department.

This notice of initiation is being published in accordance with section 751(c) of the Act and 19 CFR 351.218(c).

Dated: June 22, 2005.

**Holly A. Kuga,**

*Senior Office Director AD/CVD Operations,  
Office 4 for Import Administration.*

[FR Doc. E5–3475 Filed 6–30–05; 8:45 am]

**BILLING CODE 3510–DS–S**

## DEPARTMENT OF COMMERCE

### International Trade Administration

**A–357–812**

#### Notice of Extension of Time Limit for Preliminary Results of Antidumping Duty Review: Honey from Argentina

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**EFFECTIVE DATE:** July 1, 2005.

#### FOR FURTHER INFORMATION CONTACT:

Brian Sheba or Robert James, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–0145 and (202) 482–0469, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On December 30, 2004, the American Honey Producers Association and the Sioux Honey Association (collectively petitioners) requested an administrative review of the antidumping duty order on honey from Argentina in response to the Department of Commerce's (the Department) notice of opportunity to request a review published in the **Federal Register**. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation: Opportunity to Request Administrative Review*, 69 FR 69889 (December 1, 2003). The petitioners requested that the Department conduct an administrative review of entries of subject merchandise made by twenty-four Argentine producers/exporters. In addition, the Department received requests for reviews from three of the Argentine exporters included in the petitioners' request, plus a request for review by one additional exporter, El Mana S.A. (El

Mana). The Department initiated a review on the above twenty-five companies on January 31, 2005. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 70 FR 4818 (January 31, 2005).

Subsequent to the Department's initiation of review, on February 22, 2005, the petitioners filed a withdrawal of request for review for fifteen of the companies. *See* letter from petitioners to the Department, Honey From Argentina, (February 22, 2005), on file in the Central Records Unit (CRU), room B–099 of the main Department building. On February 24, 2005, both petitioners and Nexco S.A. (Nexco) (an exporter) submitted letters withdrawing their individual requests for review of Nexco. *See* letters from petitioners and from Nexco to the Department, Honey From Argentina, (February 24, 2005), on file in the CRU. Also on February 24, 2005, petitioner rescinded its withdrawal with respect to Mielar S.A. (Mielar). *See id.* On March 9, 2005, El Mana submitted a letter withdrawing its request for administrative review. *See* letter from El Mana to the Department, Honey From Argentina, (March 9, 2005), on file in the CRU. On March 31, 2005, petitioners submitted a withdrawal of request for review of two additional companies: Compania Apicola Argentina (CAA), Mielar, and TransHoney S.A. (TransHoney). *See* Letter from petitioners to the Department, Honey From Argentina, (March 31, 2005), on file in the CRU. On April 15, 2005, the Department rescinded its review for the companies named in petitioners' and respondents' withdrawals of request for review. *See Honey from Argentina: Notice of Partial Rescission of Antidumping Duty Administrative Review*, 70 FR 19927 (April 15, 2005).

##### Notice of Extension

Pursuant to the time limits for administrative reviews set forth in section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), the current deadlines are September 1, 2005, for the preliminary results and December 30, 2005, for the final results of this administrative review. The Department, however, may extend the deadline for completion of the preliminary results of a review if it determines it is not practicable to complete the preliminary results within the statutory time limit. *See* 751(a)(3)(A) of the Act and section 351.213(h)(2) of the Department's regulations. In this case the Department has determined it is not practicable to complete this review within the statutory time limit because of complex issues involved in this review,

(11) (*Optional*) A statement of whether you agree with the above definitions of the Domestic Like Product and Domestic Industry; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

**Authority:** This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

Issued: June 22, 2005.

By order of the Commission.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. 05-13156 Filed 6-30-05; 8:45 am]

BILLING CODE 7020-02-P

## INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731-TA-639 and 640 (Second Review)]

### Forged Stainless Steel Flanges From India and Taiwan

**AGENCY:** United States International Trade Commission.

**ACTION:** Institution of five-year reviews concerning the antidumping duty orders on forged stainless steel flanges from India and Taiwan.

**SUMMARY:** The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty orders on forged stainless steel flanges from India and Taiwan would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;<sup>1</sup> to be assured of consideration, the deadline for responses is August 22, 2005. Comments on the adequacy of responses may be filed with the Commission by September 13, 2005. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part

201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**DATES:** *Effective Date:* July 1, 2005.

**FOR FURTHER INFORMATION CONTACT:** Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:**

**Background.**—On February 9, 1994, the Department of Commerce issued antidumping duty orders on imports of forged stainless steel flanges from India and Taiwan (59 FR 5994). Following five-year reviews by Commerce and the Commission, effective August 16, 2000, Commerce issued a continuation of the antidumping duty orders on imports of forged stainless steel flanges from India and Taiwan (65 FR 49964). The Commission is now conducting second review to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

**Definitions.**—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) The *Subject Countries* in these reviews are India and Taiwan.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determinations, the Commission found one *Domestic Like Product*: stainless steel flanges, both finished and

unfinished. In its expedited five-year review determinations, the Commission defined the *Domestic Like Product* as stainless steel flanges, co-extensive with Commerce's scope.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations, the Commission found one *Domestic Industry*: the domestic producers of forgings and finished stainless steel flanges, consisting of both forger/finishers and converters. The Commission also excluded one domestic producer, Flow Components, from the *Domestic Industry* under the related parties provision. Two Commissioners defined the *Domestic Industry* differently in the original investigations. In its expedited five-year review determinations, the Commission defined the *Domestic Industry* as all domestic producers of stainless steel flanges, including both integrated producers and converters.

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

**Participation in the reviews and public service list.**—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Former Commission employees who are seeking to appear in Commission five-year reviews are reminded that they are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to appear was pending in any manner or form during their Commission employment. The Commission is seeking guidance as to whether a second transition five-year review is the "same particular matter" as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek

<sup>1</sup> No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 05-5-133, expiration date June 30, 2005. Public reporting burden for the request is estimated to average 10 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

informal advice from Commission ethics officials with respect to this and the related issue of whether the employee's participation was "personal and substantial." However, any informal consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202-205-3088.

**Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.**—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the review, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

**Certification.**—Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

**Written submissions.**—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is August 22, 2005. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is September 13, 2005. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and

any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

**Inability to provide requested information.**—Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

**Information to be Provided in Response to This Notice of Institution:** If you are a domestic producer, union/worker group, or trade/business association; import/export *Subject Merchandise* from more than one *Subject Country*; or produce *Subject Merchandise* in more than one *Subject Country*, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country*. As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the *Domestic Like Product*, a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer or exporter of the *Subject Merchandise*, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a

union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty orders on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product*. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in the *Subject Countries* that currently export or have exported *Subject Merchandise* to the United States or other countries after 1998.

(7) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2004 (report quantity data in pounds and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) the quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s); and

(c) the quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Countries*, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in pounds and value data in U.S.

dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from the *Subject Countries* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of *Subject Merchandise* imported from the *Subject Countries*; and

(c) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from the *Subject Countries*.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Countries*, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in pounds and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in the *Subject Countries* accounted for by your firm's(s') production; and

(b) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from the *Subject Countries* accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Countries* after 1998, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign

markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in the *Subject Countries*, and such merchandise from other countries.

(11) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry*; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

**Authority:** These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

Issued: June 22, 2005.

By order of the Commission.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. 05-13164 Filed 6-30-05; 8:45 am]

**BILLING CODE 7020-02-P**

## INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731-TA-457-A-D (Second Review)]

### Heavy Forged Hand Tools From China

**AGENCY:** United States International Trade Commission.

**ACTION:** Institution of five-year reviews concerning the antidumping duty order on heavy forged hand tools from China.

**SUMMARY:** The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty order on heavy forged hand tools from China would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;<sup>1</sup> to be assured of consideration, the deadline for responses is August 22, 2005.

<sup>1</sup> No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 05-5-130, expiration date June 30, 2005. Public reporting burden for the request is estimated to average 10 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

Comments on the adequacy of responses may be filed with the Commission by September 13, 2005. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**EFFECTIVE DATE:** July 1, 2005

**FOR FURTHER INFORMATION CONTACT:**

Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:**

**Background.**—On February 19, 1991, the Department of Commerce issued an antidumping duty order on imports of the following classes or kinds of heavy forged hand tools from China: (1) Axes and adzes, (2) bars and wedges, (3) hammers and sledges, and (4) picks and mattocks (56 FR 6622). Following five-year reviews by Commerce and the Commission, effective August 10, 2000, Commerce issued a continuation of the antidumping duty order on imports of heavy forged hand tools from China (65 FR 48962). The Commission is now conducting second reviews to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

**Definitions.**—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

adequate and that the respondent interested party group response was inadequate. The Commission did not find any other circumstances that would warrant conducting a full review.<sup>1</sup> Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act.

**Staff report.** A staff report containing information concerning the subject matter of the review will be placed in the nonpublic record on October 26, 2005, and made available to persons on the Administrative Protective Order service list for this review. A public version will be issued thereafter, pursuant to section 207.62(d)(4) of the Commission's rules.

**Written submissions.** As provided in section 207.62(d) of the Commission's rules, interested parties that are parties to the review and that have provided individually adequate responses to the notice of institution,<sup>2</sup> and any party other than an interested party to the review may file written comments with the Secretary on what determination the Commission should reach in the review. Comments are due on or before October 31, 2005 and may not contain new factual information. Any person that is neither a party to the five-year review nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the review by October 31, 2005. However, should the Department of Commerce extend the time limit for its completion of the final results of its review, the deadline for comments (which may not contain new factual information) on Commerce's final results is three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the

<sup>1</sup> A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

<sup>2</sup> The Commission has found the responses submitted by General Pencil Co., Inc., Musgrave Pencil Co., Rose Moon, Inc., Sanford, L.P., and Tennessee Pencil Co. to be individually adequate. Comments from other interested parties will not be accepted (see 19 CFR 207.62(d)(2)).

Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

**Determination.** The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B).

**Authority:** This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: October 13, 2005.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. 05-20837 Filed 10-17-05; 8:45 am]

**BILLING CODE 7020-02-P**

## INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731-TA-639 and 640 (Second Review)]

### Forged Stainless Steel Flanges From India and Taiwan

**AGENCY:** United States International Trade Commission.

**ACTION:** Scheduling of expedited five-year reviews concerning the antidumping duty orders on forged stainless steel flanges from India and Taiwan.

**SUMMARY:** The Commission hereby gives notice of the scheduling of expedited reviews pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(3)) (the Act) to determine whether revocation of the antidumping duty orders on forged stainless steel flanges from India and Taiwan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**DATES:** *Effective Date:* October 4, 2005.

**FOR FURTHER INFORMATION CONTACT:** Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW.,

Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

### SUPPLEMENTARY INFORMATION:

**Background.**—On October 4, 2005, the Commission determined that the domestic interested party group response to its notice of institution (70 FR 38195, July 1, 2005) of the subject five-year reviews was adequate and that the respondent interested party group responses were inadequate. The Commission did not find any other circumstances that would warrant conducting full reviews.<sup>1</sup> Accordingly, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act.

**Staff report.**—A staff report containing information concerning the subject matter of the reviews will be placed in the nonpublic record on November 14, 2005, and made available to persons on the Administrative Protective Order service list for these reviews. A public version will be issued thereafter, pursuant to section 207.62(d)(4) of the Commission's rules.

**Written submissions.**—As provided in section 207.62(d) of the Commission's rules, interested parties that are parties to the reviews and that have provided individually adequate responses to the notice of institution,<sup>2</sup> and any party other than an interested party to the reviews may file written comments with the Secretary on what determinations the Commission should reach in the reviews. Comments are due on or before November 17, 2005, and may not contain new factual information. Any person that is neither a party to the five-year reviews nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the

<sup>1</sup> A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

<sup>2</sup> The Commission has found the responses submitted by Gerlin, Inc. and Maass Flange Corp. to be individually adequate. Comments from other interested parties will not be accepted (see 19 CFR 207.62(d)(2)).

reviews by November 17, 2005. However, should the Department of Commerce extend the time limit for its completion of the final results of its reviews, the deadline for comments (which may not contain new factual information) on Commerce's final results is three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

**Determinations.**—The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B).

**Authority:** These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: October 12, 2005.

By order of the Commission.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. 05-20799 Filed 10-17-05; 8:45 am]

BILLING CODE 7020-02-P

## INTERNATIONAL TRADE COMMISSION

[Inv. No. 337-TA-544]

### In the Matter of Certain Hand-Held Mobile Computer Devices, Components Thereof and Cradles Therefor; Notice of Decision Not To Review an Initial Determination Terminating the Investigation Based on Withdrawal of the Complaint

**AGENCY:** International Trade Commission.

**ACTION:** Notice.

**SUMMARY:** Notice is hereby given that the U.S. International Trade Commission has determined not to review an initial determination ("ID") issued by the presiding administrative law judge ("ALJ") on September 26, 2005, terminating the investigation based on withdrawal of the complaint.

**FOR FURTHER INFORMATION CONTACT:** Michael Liberman, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436, telephone 202-205-3115. Copies of the public version of the IDs and all nonconfidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436, telephone 202-205-2000. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-205-1810. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:** On August 3, 2005, the Commission instituted an investigation under section 337 of the Tariff Act of 1930, 19 U.S.C. 1337, based on a complaint filed by Intermecc Technologies Corporation of Everett, Washington, alleging a violation of section 337 in the importation, sale for importation, and sale within the United States after importation of certain hand-held mobile computing devices, components thereof and cradles therefor by reason of infringement of claims 62, 66, 67, 71, 126, and 130-132 of U.S. Patent No. 5,410,141; claims 1-3 of U.S. Patent No. 5,468,947; and claims 17-25 and 27-31 of U.S. Patent No. 6,375,344. 70 FR 44693 (August 3, 2005). The complainant named Symbol Technologies, Inc. and Symbol de Mexico, Sociedad de R.I. de C.V. as respondents.

On September 9, 2005, the complainant and respondents jointly moved to terminate the investigation based on withdrawal of the complaint and suspend the procedural schedule. On September 21, 2005, the Commission investigative attorney filed a response in support of the joint motion.

On September 26, 2005, the ALJ issued an ID (Order No. 5) granting the

joint motion to terminate. No party petitioned for review of the ALJ's ID.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in section 210.42 of the Commission's Rules of Practice and Procedure (19 CFR 210.42).

Issued: October 12, 2005.

By order of the Commission.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. 05-20797 Filed 10-17-05; 8:45 am]

BILLING CODE 7020-02-P

## INTERNATIONAL TRADE COMMISSION

[Inv. No. 731-TA-663 (Second Review)]

### Explanation of Commission Determination on Adequacy in Paper Clips From China

On October 4, 2005, the Commission unanimously determined that it should proceed to an expedited review in the subject five-year review pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. 1675(c)(3)(B).

The Commission determined that the domestic interested party group response to the notice of institution was adequate. The Commission received responses to the notice of institution from two domestic producers, ACCO Brands USA LLC and Officemate International Corporation. Because the Commission received adequate responses from two producers representing the overwhelming majority of domestic production, the Commission determined that the domestic interested party group response was adequate.

The Commission did not receive a response from any respondent interested party, and therefore determined that the respondent interested party group response to the notice of institution was inadequate. In the absence of an adequate respondent interested party group response, and any other circumstances that it deemed warranted proceeding to a full review, the Commission determined to conduct an expedited review. A record of the Commissioners' votes is available from the Office of the Secretary and the Commission's Web site (<http://www.usitc.gov>).

By order of the Commission.

A 10-minute reinterview of 3,100 people is conducted at each wave to ensure the accuracy of responses. Reinterviews will require an additional 1,553 burden hours in FY 2006.

## II. Method of Collection

The SIPP is designed as a continuing series of national panels of interviewed households that are introduced every few years with each panel having durations of 1 to 5 years. All household members 15 years old or over are interviewed using regular proxy-respondent rules. During the 2004 Panel, respondents are interviewed a total of 15 times (15 waves) at 4-month intervals making the SIPP a longitudinal survey. Sample people (all household members present at the time of the first interview) who move within the country and reasonably close to a SIPP primary sampling unit will be followed and interviewed at their new address. Individuals 15 years old or over who enter the household after Wave 1 will be interviewed; however, if these individuals move, they are not followed unless they happen to move along with a Wave 1 sample individual.

## III. Data

*OMB Number:* 0607-0905.

*Form Number:* SIPP/CAPI Automated Instrument.

*Type of Review:* Regular.

*Affected Public:* Individuals or households.

*Estimated Number of Respondents:* 97,650 people per wave.

*Estimated Time Per Response:* 30 minutes per person on average.

*Estimated Total Annual Burden Hours:* 148,028.

*Estimated Total Annual Cost:* The only cost to respondents is their time.

*Respondent's Obligation:* Voluntary.

*Legal Authority:* Title 13, United States Code, Section 182.

## IV. Request for Comments

*Comments are invited on:* (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Comments submitted in response to this notice will be summarized or

included in the request for the Office of Management and Budget approval of this information collection. They also will become a matter of public record.

Dated: October 31, 2005.

**Madeleine Clayton,**

*Management Analyst, Office of the Chief Information Officer.*

[FR Doc. 05-21983 Filed 11-3-05; 8:45 am]

**BILLING CODE 3510-08-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

(A-533-809, A-583-821)

#### Forged Stainless Steel Flanges from India and Taiwan; Expedited Five-year (Sunset) Reviews of Antidumping Duty Orders; Final Results

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** On July 1, 2005, the Department of Commerce (the Department) initiated sunset reviews of the antidumping duty orders on forged stainless steel flanges (flanges) from India and Taiwan, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). On the basis of the notice of intent to participate and an adequate substantive response filed on behalf of domestic interested parties and no responses from respondent interested parties, the Department conducted expedited sunset reviews. As a result of these sunset reviews, the Department finds that revocation of the antidumping duty orders on flanges from India and Taiwan would likely lead to continuation or recurrence of dumping at the levels listed below in the section entitled "Final Results of Reviews."

**EFFECTIVE DATE:** November 4, 2005.

**FOR FURTHER INFORMATION CONTACT:** Dana Mermelstein, AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, telephone (202) 482-1391.

#### SUPPLEMENTARY INFORMATION:

##### Background

On July 1, 2005, the Department initiated sunset reviews of the antidumping duty orders on flanges from India and Taiwan pursuant to section 751(c) of the Act. *See Initiation of Five-year ("Sunset") Reviews*, 70 FR 38101 (July 1, 2005). The Department received a notice of intent to participate from two domestic interested parties, Gerlin, Inc. and Maass Flange

Corporation (collectively, petitioners), within the deadline specified in 19 C.F.R. § 351.218(d)(1)(i). Petitioners claimed interested party status under section 771(9)(C) of the Act as U.S. producers of a domestic like product. We received a complete substantive response from petitioners within the 30-day deadline specified in 19 C.F.R. § 351.218(d)(3)(i). However, we did not receive responses from any respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 C.F.R. § 351.218(e)(1)(ii)(C)(2), the Department conducted expedited sunset reviews of the orders.

##### Scope of the Orders

The products covered by these orders are certain forged stainless steel flanges, both finished and not finished, generally manufactured to specification ASTM A-182, and made in alloys such as 304, 304L, 316, and 316L. The scope includes five general types of flanges. They are weld-neck, used for butt-weld line connections; threaded, used for threaded line connections; slip-on and lap joint, used with stub-ends/ butt-weld line connections; socket weld, used to fit pipe into a machined recession; and blind, used to seal off a line. The sizes of the flanges within the scope range generally from one to six inches; however, all sizes of the above-described merchandise are included in the scope. Specifically excluded from the scope of these orders are cast stainless steel flanges. Cast stainless steel flanges generally are manufactured to specification ASTM A-351. The flanges subject to these orders are currently classifiable under subheadings 7307.21.1000 and 7307.21.5000 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise under review is dispositive of whether or not the merchandise is covered by the scope of the orders.

These sunset reviews cover imports from all manufacturers and exporters of flanges from India and Taiwan except Viraj Forgings, Ltd., for which the order on flanges from India was revoked.

##### Analysis of Comments Received

All issues raised in this case are addressed in the "Issues and Decision Memorandum" from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated October 31, 2005 (Decision Memorandum), which is hereby adopted by this notice. The issues discussed in the Decision

Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the orders were revoked. Parties can find a complete discussion of all issues raised in these sunset reviews and the corresponding recommendation in this public memorandum, which is on file in room B-099 of the main Department building.

In addition, a complete version of the Decision Memorandum can be accessed directly on the Internet at <http://ia.ita.doc.gov>, under the heading "November 2005." The paper copy and electronic version of the Decision Memorandum are identical in content.

### Final Results of Reviews

We determine that revocation of the antidumping duty orders on flanges from India and Taiwan would likely lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

| Manufacturers/Exporters/Producers       | Weighted-Average Margin (Percent) |
|---|-----------------------------------|
| <b>India.</b>                           |                                   |
| Mukand, Ltd. ....                       | 210.00                            |
| Sunstar Metals Ltd. ....                | 210.00                            |
| Bombay Forgings Pvt. Ltd. ....          | 210.00                            |
| Dynaforge Forgings India, Ltd. ....     | 210.00                            |
| Akai Impex Pvt., Ltd. ....              | 18.56                             |
| All Others .....                        | 162.14                            |
| <b>Taiwan.</b>                          |                                   |
| Enlin Steel Corporation                 | 48.00                             |
| Ta Chen Stainless Pipe Co., Ltd. ....   | 48.00                             |
| Tay Precision Industries Co., Ltd. .... | 48.00                             |
| All Others .....                        | 48.00                             |

This notice also serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 C.F.R. § 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing these results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 31, 2005.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. E5-6127 Filed 11-3-05; 8:45 am]

**BILLING CODE 3510-DS-S**

## DEPARTMENT OF COMMERCE

### International Trade Administration

(A-570-848)

#### Freshwater Crawfish Tail Meat From the People's Republic of China: Initiation of Antidumping Duty New Shipper Reviews

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce ("Department") has received timely requests to conduct new shipper reviews of the antidumping duty order on freshwater crawfish tail meat from the People's Republic of China ("PRC"). In accordance with 19 CFR 351.214(d), we are initiating reviews for Xuzhou Jinjiang Foodstuffs Co., Ltd. ("Xuzhou Jinjiang") and Xiping Opeck Food Co., Ltd. ("Xiping Opeck").<sup>1</sup>

**EFFECTIVE DATE:** November 4, 2005.

#### FOR FURTHER INFORMATION CONTACT:

Stephen Berlinguette or Scott Fullerton, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3740 or (202) 482-1386, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

The Department received timely requests from Xuzhou Jinjiang (September 30, 2005) and Xiping Opeck (September 21, 2005), pursuant to section 751(a)(2)(B) of the Tariff Act of 1930, as amended ("the Act"), and in accordance with 19 CFR 351.214(c), for new shipper reviews of the antidumping duty order on freshwater crawfish tail meat from the PRC. *See Notice of Amendment to Final Determination of Sales at Less than Fair Value and Antidumping Duty Order: Freshwater Crawfish Tail Meat from the People's Republic of China*, 62 FR 48218 (September 15, 1997).

Pursuant to 19 CFR 351.214(b)(2)(i) and 19 CFR 351.214(b)(2)(iii)(A), in their requests for review, Xuzhou Jinjiang and Xiping Opeck certified that they did not export the subject

merchandise to the United States during the period of investigation (POI) and that since the initiation of the investigation they have never been affiliated with any company which exported subject merchandise to the United States during the POI. Pursuant to 19 CFR 351.214(b)(2)(iii)(B), Xuzhou Jinjiang and Xiping Opeck further certified that their export activities are not controlled by the central government of the PRC.

In accordance with 19 CFR 351.214(b)(2)(iv), both Xuzhou Jinjiang and Xiping Opeck, respectively, submitted documentation establishing the following: (1) the date on which it first shipped subject merchandise for export to the United States and the date on which the subject merchandise was first entered, or withdrawn from warehouse, for consumption; (2) the volume of its first shipment, and in the case of Xuzhou Jinjiang, documentation of one subsequent shipment; and (3) the date of its first sale to an unaffiliated customer in the United States.

In addition, the Department conducted customs database queries to confirm that both Xuzhou Jinjiang's and Xiping Opeck's shipments of subject merchandise had entered the United States for consumption and had been suspended for antidumping duties.

#### Initiation of Reviews

In accordance with section 751(a)(2)(B) of the Act, and 19 CFR 351.214(d)(1), and based on information on the record, we are initiating new shipper reviews for Xuzhou Jinjiang and Xiping Opeck. *See Memoranda to the File* through James C. Doyle, New Shipper Initiation Checklists, dated October 31, 2005. We intend to issue the preliminary results of this review not later than 180 days after the date on which this review was initiated, and the final results of this review within 90 days after the date on which the preliminary results were issued.

Pursuant to 19 CFR 351.214(g)(1)(i)(A), the period of review ("POR") for a new shipper review, initiated in the month immediately following the annual anniversary month, will be the one year period immediately preceding the annual anniversary month. Therefore, the POR for the new shipper reviews of Xuzhou Jinjiang and Xiping Opeck will be September 1, 2004, through August 31, 2005.

It is the Department's usual practice in cases involving non-market economies to require that a company seeking to establish eligibility for an antidumping duty rate separate from the country-wide rate provide evidence of

<sup>1</sup> The Department received a timely request for an administrative review from Xuzhou Jinjiang on September 30, 2005. The Department notes that the periods of review for both this new shipper review and the above-referenced administrative review are identical. Because both of these requested reviews cover the same period of time (i.e., September 1, 2004, through August 31, 2005), the Department intends to revisit whether both reviews are statutorily required after the initiation of this new shipper review.



**APPENDIX B**  
**STATEMENT ON ADEQUACY**



## **EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY**

in

*Forged Stainless Steel Flanges from India and Taiwan,*  
Inv. Nos. 731-TA-639 and 640 (Second Review)

On October 4, 2005, the Commission unanimously determined that it should proceed to expedited reviews in the subject five-year reviews pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(3)(B).

With regard to these reviews, the Commission determined that the domestic interested party group response to the notice of institution was adequate. The Commission received adequate responses from two domestic producers of forged stainless steel flanges, Gerlin Inc., and Maass Flange Corp. Because the Commission received an adequate response from domestic producers accounting for a substantial percentage of U.S. production, the Commission determined that the domestic interested party group response was adequate.

The Commission did not receive a response from any respondent interested parties in the reviews concerning imports from India and Taiwan. It therefore determined that the respondent interested party group response in each of these reviews was inadequate.

In the absence of adequate respondent interested party group response, and any other circumstances that it deemed warranted proceeding to a full review, the Commission determined to conduct an expedited review. A record of the Commissioners' votes is available from the Office of the Secretary and the Commission's web site (<http://www.usitc.gov>).