

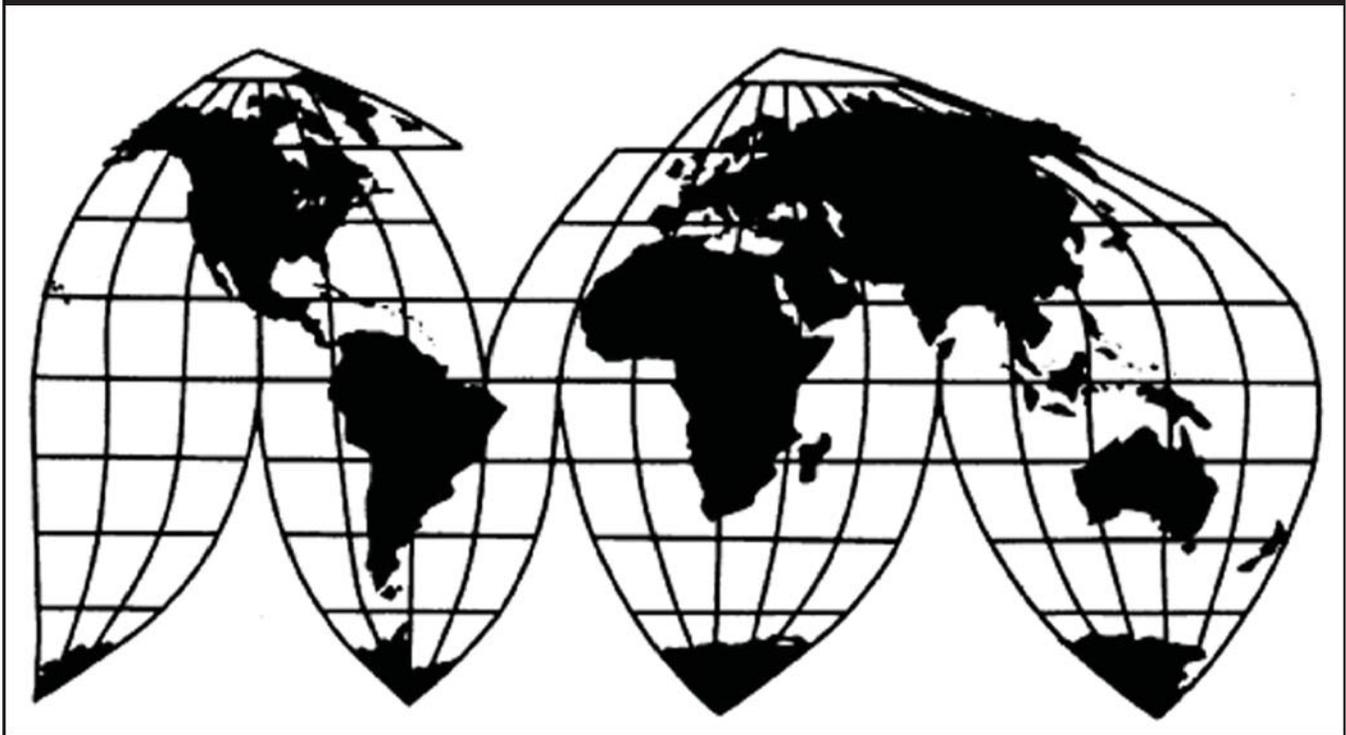
# **Non-Malleable Cast Iron Pipe Fittings From China**

Investigation No. 731-TA-990 (Second Review)

**Publication 4450**

**January 2014**

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted.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



# UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-990 (Second Review)

NON-MALLEABLE CAST IRON PIPE FITTINGS FROM CHINA

## DETERMINATION

On the basis of the record<sup>1</sup> developed in the subject five-year review, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (“the Act”) (19 U.S.C. § 1675(c)), that revocation of the antidumping duty order on non-malleable cast iron pipe fittings from China 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 this review on July 1, 2013 (78 F.R. 39321) and determined on October 21, 2013, that it would conduct an expedited review (78 F.R. 68474, November 14, 2013).

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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)).



## Views of the Commission

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping duty order on non-malleable cast iron pipe fittings from China 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. Background

*Original Investigation and First Five-Year Review:* The original investigation of non-malleable cast iron pipe fittings from China was initiated in response to an antidumping duty petition filed on February 21, 2002, by Anvil International, LLC (“Anvil”) and Ward Manufacturing (“Ward”), domestic producers of non-malleable cast iron pipe fittings.<sup>1</sup> In March 2003, the Commission issued its final determination that an industry in the United States was threatened with material injury by reason of imports of non-malleable cast iron pipe fittings from China that the U.S. Department of Commerce (“Commerce”) had determined were sold in the United States at less than fair value.<sup>2</sup> On April 7, 2003, Commerce published the corresponding antidumping duty order.<sup>3</sup>

In the first five-year review of the order, the Commission determined that the domestic interested party group response to its notice of institution was adequate. In the absence of an adequate respondent interested party group response, or any other circumstances that would warrant a full review, the Commission determined that it would conduct an expedited review.<sup>4</sup> In July 2008, it determined that revocation of the antidumping duty order on non-malleable cast iron pipe fittings from China would be likely to lead to continuation or recurrence of

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<sup>1</sup> Confidential Report, Memorandum INV-LL-103 (“CR”) at I-3 (Dec. 2, 2013); Public Report, *Non-Malleable Cast Iron Pipe Fittings from China*, Inv. No. 731-TA-990 (Second Review), USITC Pub. 4450 (Jan. 2014) (“PR”) at I-2.

<sup>2</sup> *Non-Malleable Cast Iron Pipe Fittings from China*, Inv. No. 731-TA-990 (Final), USITC Pub. 3586 (March 2003). The Commission based its determination on data for the period January 1999 through September 2002 (the period of investigation or “POI”).

<sup>3</sup> Antidumping Duty Order: Non-Malleable Cast Iron Pipe Fittings from the People’s Republic of China, 68 Fed. Reg. 16765 (April 7, 2003).

<sup>4</sup> See Explanation of Commission Determination on Adequacy, *Non-Malleable Cast Iron Pipe Fittings from China*, Inv. No. 731-TA-990 (Review), USITC Pub. 4023 (July 2008) at Appendix A. Commissioners Aranoff and Pearson dissented, finding that changes in conditions of competition resulting from Anvil’s purchase during the period of review of the largest importer of subject merchandise warranted conducting a full review. *Id.*

material injury to an industry in the United States within a reasonably foreseeable time.<sup>5</sup> Commerce issued a continuation of the order on August 15, 2008.<sup>6</sup>

*Current Review:* The Commission instituted this second five-year review effective July 1, 2013. Anvil and Ward (jointly “Domestic Producers”) filed a response to the notice of institution. The Commission did not receive a response to the notice of institution from any respondent interested party. On October 21, 2013, the Commission found the domestic interested party group response to be adequate. In the absence of an adequate respondent interested party group response, or any other circumstances that would warrant a full review, the Commission unanimously determined to conduct an expedited review of the subject order.<sup>7</sup>

## II. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”<sup>8</sup> The Tariff Act defines “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>9</sup> The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigations and consider whether the record indicates any reason to revisit the prior findings.<sup>10</sup>

Commerce has defined the imported merchandise within the scope of the order under review as follows:

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<sup>5</sup> Non-Malleable Cast Iron Pipe Fittings from China, Inv. No. 731-TA-990 (Review), USITC Pub. 4023 (July 2008).

<sup>6</sup> 73 Fed. Reg. 47887 (Aug. 15, 2008).

<sup>7</sup> See Explanation of Commission Determination on Adequacy, Non-Malleable Cast Iron Pipe Fittings from China, Inv. No. 731-TA-990 (Second Review), EDIS Doc. No. 520865. Although Anvil responded to the institution notice and was an importer of subject merchandise, the Commission did not count Anvil’s share of imports toward the sufficiency of the respondent interested party group response because Anvil did not support revocation. *Id.*

<sup>8</sup> 19 U.S.C. § 1677(4)(A).

<sup>9</sup> 19 U.S.C. § 1677(10); see, e.g., *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *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>10</sup> See, e.g., *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (Jul. 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

finished and unfinished non-malleable cast iron pipe fittings with an inside diameter ranging from 1/4 inch to 6 inches, whether threaded or un-threaded, regardless of industry or proprietary specifications. The subject fittings include elbows, ells, tees, crosses, and reducers as well as flanged fittings. These pipe fittings are also known as “cast iron pipe fittings” or “gray iron pipe fittings.” These cast iron pipe fittings are normally produced to ASTM A-126 and ASME B.16.4 specifications and are threaded to ASME B1.20.1 specifications. Most building codes require that these products are Underwriters Laboratories (“UL”) certified. The scope does not include cast iron soil pipe fittings or grooved fittings or grooved couplings.

Fittings that are made out of ductile iron that have the same physical characteristics as the gray or cast iron fittings subject to the scope above or which have the same physical characteristics and are produced to ASME B.16.3, ASME B.16.4, or ASTM A-395 specifications, threaded to ASME B1.20.1 specifications and UL certified, regardless of metallurgical differences between gray and ductile iron, are also included in the scope of this petition. These ductile fittings do not include grooved fittings or grooved couplings. Ductile cast iron fittings with mechanical joint ends (“MJ”), or push on ends (“PO”), or flanged ends and produced to the American Water Works Association (“AWWA”) specifications AWWA C110 or AWWA C153 are not included. Additionally, certain brake fluid tube connectors are excluded from the scope of this order.<sup>11</sup>

This scope definition is changed somewhat from Commerce’s scope definition in the original investigation and the first five-year review. Specifically, it excludes certain brake fluid tube connectors as a result of partial revocation of the order following a changed circumstances review in which the domestic industry expressed a lack of interest in continuation of the order with respect to those connectors.<sup>12</sup>

The subject imports include non-malleable cast iron pipe fittings, as well as certain ductile cast iron pipe fittings, such as those that can be used in traditionally non-malleable pipe fitting applications.<sup>13</sup> Non-malleable iron, also referred to as gray iron, is defined by ASTM

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<sup>11</sup> 78 Fed. Reg. 72639 (Dec. 3, 2013) (partial scope language); Commerce’s Issues and Decision Memorandum for the Expedited Second Sunset Review of the Antidumping Duty Order on Non-malleable Cast Iron Pipe Fittings from the People's Republic of China (Dec. 2, 2013) (full scope language); see also CR at I-11, PR at I-7. Commerce explained that imports of subject merchandise are currently classifiable in the Harmonized Tariff Schedule of the United States (“HTSUS”) under item numbers 7307.11.00.30, 7307.11.00.60, 7307.19.30.60, 7307.19.30.85, 7326.90.8588, and 7326.90.8588, noting that HTSUS subheadings are provided for convenience and customs purposes and that the written description of the scope of the order is dispositive. 78 Fed. Reg. at 72639.

<sup>12</sup> CR at I-5-6, I-11; PR at I-4, I-7.

<sup>13</sup> CR at I-11-12, PR at I-7.

International (“ASTM”) as cast iron in which fine graphite flakes are formed during cooling. Ductile iron fittings, on the other hand, are cast from iron to which a very small amount of magnesium has been added in the liquid state to induce the formation of graphites as spheroids or nodules. Pipe fittings generally are used to connect the bores of two or more pipes or tubes, connect a pipe to another apparatus, change the direction of fluid flow, or close a pipe. Cast iron is a general term for alloys which are primarily composed of iron, carbon (more than two percent), and silicon.<sup>14</sup>

#### **A. The Original Investigation and First Review**

In the original investigation, the Commission defined the domestic like product as consisting of non-malleable and ductile cast iron pipe fittings, coextensive with Commerce’s scope.<sup>15</sup> The Commission found that non-malleable and ductile cast iron pipe fittings were not separate like products, and it also declined to define the domestic like product to include grooved fittings or fittings over six inches in inside diameter, both of which were outside the scope definition.<sup>16</sup> In the first review, the Domestic Producers stated that they agreed with the like product definition in the original investigation, and the Commission observed that it had obtained no new information in the review that would suggest any reason to revisit its domestic like product definition in the original investigation. Consequently, the Commission again defined the domestic like product to be non-malleable and ductile cast iron pipe fittings, coextensive with the scope of the review.<sup>17</sup>

#### **B. The Current Review**

In this second five-year review, Domestic Producers agree with the Commission’s definitions of the domestic like product from the original investigation and first review.<sup>18</sup> The record contains no information suggesting that the characteristics and uses of domestically produced non-malleable cast iron pipe fittings have changed since the prior proceedings or that the like product definition should be revisited.<sup>19</sup> Therefore, we define the domestic like product as non-malleable and ductile cast iron pipe fittings, which is coextensive with the scope of Commerce’s review.

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<sup>14</sup> CR at I-13-15, PR at I-9-10.

<sup>15</sup> USITC Pub. 3586 at 5-8.

<sup>16</sup> USITC Pub. 3586 at 5-8.

<sup>17</sup> USITC Pub. 4023 at 4-5.

<sup>18</sup> Domestic Producers’ Response to Notice of Institution at 24; Domestic Producers’ Comments at 2.

<sup>19</sup> *See generally* CR at I-11-21, PR at I-7-13. As noted above, the only change in the scope since the original investigation and first review is exclusion of certain brake fluid tube connectors with respect to which the domestic industry was not interested in continuing the order. CR at I-5-6, I-11; PR at I-4, I-7.

### III. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic “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> 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. If appropriate circumstances exist, the statute provides the Commission with the authority to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise, or are themselves importers.<sup>21</sup> Exclusion of such a producer from the domestic industry as a related party is within the Commission’s discretion based upon the facts presented in each investigation.<sup>22</sup>

In the original determination, the Commission defined the domestic industry as consisting of all producers of non-malleable and ductile cast iron pipe fittings corresponding to the scope. The Commission recognized that \*\*\* was a related party based on its importation of subject merchandise, but found that appropriate circumstances did not exist to exclude that producer from the domestic industry.<sup>23</sup>

In the expedited first review, the Commission observed that in 2004, Anvil purchased a firm that was a major importer of subject pipe fittings and that Anvil was a related party because it imported subject merchandise during the period of review. In 2007 (the only year of the review period for which data were available), Anvil accounted for \*\*\* percent of the subject imports from China and its subject imports were equivalent to \*\*\* percent of its domestic production. The Commission noted, however, that Anvil supported continuation of

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<sup>20</sup> 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 apply to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

<sup>21</sup> 19 U.S.C. § 1677(4)(B); see *Torrington Co v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int’l Trade 1992), *aff’d mem.*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int’l Trade 1989), *aff’d mem.*, 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int’l Trade 1987).

<sup>22</sup> See, e.g., *Torrington*, 790 F. Supp. at 1168.

<sup>23</sup> USITC Pub. 3586 at 8 n.39. In finding that appropriate circumstances did not exist to exclude \*\*\* from the domestic industry, the Commission explained that “\*\*\* production, reflecting \*\*\* percent of total domestic production in 2001, indicate{d} that \*\*\* {was} focused primarily on domestic production, particularly given that \*\*\* importation of subject merchandise from China \*\*\* was equivalent to \*\*\* percent of \*\*\* production in that period.” The Commission also noted that \*\*\* {did} not appear to have obtained any special advantage from its related party status, as \*\*\*.” USITC Pub. 3586 at 8 n.39 (citations omitted).

the order. Because the review was expedited with a limited record, the Commission declined to find appropriate circumstances to exclude Anvil from the industry.<sup>24</sup>

In the current five-year review, Anvil is a related party because it imported subject merchandise during the period of review. In 2012, Anvil accounted for \*\*\* percent of total subject imports from China and its subject imports were equivalent to \*\*\* percent of the quantity of Anvil's U.S. production.<sup>25</sup> Anvil, one of two domestic producers of non-malleable cast iron pipe fittings, accounted for \*\*\* percent of U.S. production in 2012.<sup>26</sup> Although Anvil accounted for \*\*\* of total subject imports from China in 2012 and its subject imports \*\*\* its domestic production, Anvil's share of total subject imports and the ratio of its imports to its U.S. production in that year were both \*\*\* than in the prior review. The domestic industry maintains that Anvil imports some subject merchandise simply because some customers insist on the lower prices available for imports.<sup>27</sup> Moreover, Anvil supports continuation of the order. Based on the foregoing and the limited record in this expedited review, we find that appropriate circumstances do not exist to exclude Anvil from the industry.

#### **IV. Revocation of the Antidumping Duty Order Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time**

##### **A. Legal Standards**

In five-year reviews conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing 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 or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."<sup>28</sup> The Uruguay Round Agreements Act Statement of Administrative Action ("SAA") states that "under the likelihood standard, the Commission will engage in a counterfactual 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>29</sup> Thus, the likelihood standard is prospective in

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<sup>24</sup> USITC Pub. 4023 at 5-6. Commissioners Aranoff and Pearson noted that they had voted to conduct a full review based on Anvil's acquisition of an importer of subject merchandise and that, based on the limited record in the expedited review, the facts concerning Anvil's importations led them to conclude only that it was likely they would have excluded Anvil from the domestic industry as a related party in a full review. *Id.* at 6-7.

<sup>25</sup> CR/PR at Tables I-4, I-5, I-6.

<sup>26</sup> CR/PR at Table I-2.

<sup>27</sup> CR at I-26, PR at I-15.

<sup>28</sup> 19 U.S.C. § 1675a(a).

<sup>29</sup> SAA at 883-84. 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 (Continued...)

nature.<sup>30</sup> The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>31</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>32</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>33</sup>

Although the standard in a five-year review is not the same as the standard applied in an original 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>34</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 orders under review, whether the industry is vulnerable to material injury if the orders are revoked, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>35</sup> The statute further provides that the presence or absence of any factor that the Commission is

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material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

<sup>30</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>31</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 mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (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*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>32</sup> 19 U.S.C. § 1675a(a)(5).

<sup>33</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>34</sup> 19 U.S.C. § 1675a(a)(1).

<sup>35</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings regarding imports of non-malleable cast iron pipe fittings from China. CR at I-4, PR at I-3.

required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.<sup>36</sup>

In evaluating the likely volume of imports of subject merchandise if the orders under review 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>37</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>38</sup>

In evaluating the likely price effects of subject imports if the orders under review are revoked, the Commission is directed to consider whether there is likely to be significant underselling by subject imports as compared to the domestic like product and whether 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 the domestic like product.<sup>39</sup>

In evaluating the likely impact of imports of subject merchandise if the orders under review 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 the following: (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>40</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. 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 orders under review and whether the industry is vulnerable to material injury upon revocation.<sup>41</sup>

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<sup>36</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>37</sup> 19 U.S.C. § 1675a(a)(2).

<sup>38</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>39</sup> See 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>40</sup> 19 U.S.C. § 1675a(a)(4).

<sup>41</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 (Continued...)

No respondent interested party participated in this expedited review. The record, therefore, contains limited new information with respect to the non-malleable cast iron pipe fittings industry in China. There also is limited information regarding the non-malleable cast iron pipe fittings market in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigation and first review, and the limited new information on the record in this five-year review.

## **B. Conditions of Competition and the Business Cycle**

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, 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>42</sup> The following conditions of competition, several of which also existed during the original investigation, inform our determinations.

### **1. Demand Conditions**

In the original investigation, the Commission reported that approximately 90 to 95 percent of non-malleable/ductile cast iron pipe fittings were used in fire protection/sprinkler systems, and indicated that demand was related to non-residential construction, in which fire protection/sprinkler systems are installed.<sup>43</sup> The Commission found that U.S. demand for non-malleable cast iron pipe fittings had been declining, with apparent domestic consumption (measured by weight) falling by \*\*\* percent from 1999 to 2001. Apparent U.S. consumption was \*\*\* percent lower in the first nine months of 2002 (“interim 2002”) than in the first nine months of 2001 (“interim 2001”).<sup>44</sup>

In the expedited first review, the Commission found that there was no evidence on the record to suggest that the nature of demand for non-malleable/ductile cast iron pipe fittings had changed significantly since the original investigation. It noted, however, that there was some indication in the record that demand would weaken in the second half of 2008 and in 2009 if non-residential construction spending declined.<sup>45</sup>

In this review, the available information indicates that non-malleable cast iron pipe fittings continue to be used mostly in fire protection/sprinkler systems and that demand is influenced by activity in the non-residential construction market.<sup>46</sup> The record indicates that a

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(...Continued)

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>42</sup> 19 U.S.C. § 1675a(a)(4).

<sup>43</sup> USITC Pub. 3586 at 9, IV-3.

<sup>44</sup> USITC Pub. 3586 at 9.

<sup>45</sup> USITC Pub. 4023 at 9.

<sup>46</sup> CR at I-14, I-21; PR at I-9, I-13.

significant downturn in construction spending since 2008 reduced demand for non-malleable cast iron pipe fittings.<sup>47</sup> As measured by apparent U.S. consumption, demand for non-malleable/ductile cast iron pipe fittings was lower in 2012 than at the end of the original period of investigation, and at the end of the first review period. Specifically, apparent U.S. consumption was \*\*\* short tons in 2012, \*\*\* short tons in 2001, and \*\*\* short tons in 2007.<sup>48</sup>

## 2. Supply Conditions

In the original investigation, the Commission noted that Anvil and Ward accounted for the bulk of domestic production (\*\*\* percent in 2001) and that two other companies, Frazier and Buck, accounted for most of the remainder. The Commission also observed that, during the period of investigation, there was no home market for the subject merchandise in China and that \*\*\* exports from China of the subject merchandise were directed to the United States. Finally, the Commission noted that there were some nonsubject imports of non-malleable cast iron pipe fittings during the period of investigation.<sup>49</sup>

In the expedited first review, Anvil and Ward continued to account for the large majority of domestic production. Frazier produced a \*\*\* share of the domestic like product. The Commission explained that Anvil purchased a major importer of subject pipe fittings in January 2004 and, thus, Anvil accounted for \*\*\* of the subject imports in 2007. Also, the record indicated that the United States was not necessarily the predominant market for exports of non-malleable cast iron pipe fittings from China. The Commission found that there was no evidence on the record to suggest that the other supply conditions had changed significantly since the original investigation.<sup>50</sup>

In the current review, two producers -- Anvil and Ward -- accounted for all domestic production of non-malleable cast iron pipe fittings, with Anvil accounting for \*\*\* percent and Ward for \*\*\* percent of total domestic production in 2012.<sup>51</sup> The domestic producers' share of apparent U.S. consumption was \*\*\* percent in 2012, compared with \*\*\* percent in 2001 and \*\*\* percent in 2007.<sup>52</sup> Subject imports held the second largest share of the U.S. market in 2012, with \*\*\* percent of apparent U.S. consumption, compared with \*\*\* percent in 2001 and \*\*\* percent in 2007.<sup>53</sup> Nonsubject imports held \*\*\* percent of the U.S. market in 2012 compared with \*\*\* percent in 2001 and \*\*\* percent in 2007.<sup>54</sup>

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<sup>47</sup> Domestic Producers' Comments at 5.

<sup>48</sup> CR/PR at Table I-8. Apparent U.S. consumption totals for 2007 and 2012 may be understated by the amount of U.S. imports entered under statistical reporting numbers other than 7307.11.0030 and 7307.11.0060. *Id.* n.2.

<sup>49</sup> *Original Confidential Views* (EDIS Doc. 517426) at 14.

<sup>50</sup> USITC Pub. 4023 at 9-10.

<sup>51</sup> CR/PR at Table I-2.

<sup>52</sup> CR/PR at Table I-8 (see table notes on possible issues when comparing data between years).

<sup>53</sup> *Id.*

<sup>54</sup> *Id.*

### **3. Substitutability**

In the original investigation, the Commission observed that purchasers generally focused on quality, supply, and price considerations, and that a majority of purchasers viewed U.S. and Chinese non-malleable and ductile fittings as comparable in terms of supply and quality, while almost all purchasers ranked the Chinese product as superior in terms of lower price. Most purchasers also reported that U.S. and Chinese non-malleable and ductile fittings were used in the same applications. The Commission noted that use of the domestic product was sometimes required in government projects to which “Buy America” provisions applied and that there also may have been a strong preference for the domestic product in certain projects, particularly ones in which the workers were members of trade unions.<sup>55</sup>

In the expedited first review, the Commission found that there was no evidence on the record to suggest that these conditions had changed significantly since the original investigation.<sup>56</sup> Based on the record evidence, the Commission found that these conditions of competition were not likely to change significantly in the reasonably foreseeable future.<sup>57</sup>

According to the Domestic Producers, the basic conditions regarding substitutability between non-malleable cast iron pipe fittings made in China and in the United States remain unchanged.<sup>58</sup> There is no indication on the current record that these conditions have changed significantly since the original investigation. We further find that these conditions of competition are not likely to change significantly in the reasonably foreseeable future.

#### **C. Likely Volume of Subject Imports**

##### **1. Original Investigation and First Review**

In its original determination, the Commission found that subject import volume increased \*\*\* between 1999 and 2001, but that it was \*\*\* percent higher in interim 2002 than in interim 2001, even as apparent U.S. consumption fell by \*\*\* percent. The market share of subject imports increased from \*\*\* percent in 1999 to \*\*\* percent in 2000 and \*\*\* percent in 2001. Subject imports’ market share was \*\*\* percent in interim 2001 and reached \*\*\* percent in interim 2002. The domestic industry’s market share fell over the period of investigation. The Commission found the increase in the volume of subject imports, most notably during the interim period, to be significant.<sup>59</sup>

In its analysis of threat of material injury, the Commission found that a significant increase in the volume and market share of subject imports from China was likely in the imminent future, given the accelerating rate of subject imports toward the end of the period of

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<sup>55</sup> USITC Pub. 3586 at 10.

<sup>56</sup> USITC Pub. 4023 at 10.

<sup>57</sup> USITC Pub. 4023 at 10.

<sup>58</sup> Domestic Producers’ Comments at 4.

<sup>59</sup> USITC Pub. 3586 at 10-11.

investigation, the presence of large subject import inventories in the United States, the substantial and growing available capacity in China to produce subject merchandise, the reliance of the Chinese industry almost exclusively on the U.S. market, declining subject import prices, and increasing margins of underselling.<sup>60</sup>

In the expedited first review, the Commission observed that, after the antidumping duty order was imposed in early 2003, the volume of subject imports declined for two years, then increased irregularly. The market share of subject imports was \*\*\* higher in 2007 than in 2001, the last full year of the original period of investigation. The Commission found that nothing in the record of that expedited review contradicted the Commission's earlier findings that Chinese producers of the subject merchandise had substantial excess capacity and that the United States was an important market for Chinese producers. Moreover, the Commission found that, because the subject producers were also subject to an antidumping duty order on malleable pipe fittings, subject producers may have had an incentive to shift their production from malleable pipe fittings to the subject merchandise if the order on the subject merchandise were revoked.<sup>61</sup>

Based on the significant increase in the volume of subject imports during the original investigation (especially in the latter portion of the period), the continued significant levels of subject imports since then, the increase in the market share held by subject imports, the excess capacity of the Chinese industry, the importance of the U.S. market to Chinese producers, and the potential for product shifting, the Commission found that Chinese producers would have the incentive and ability to ship significant volumes of additional exports to the United States if the order were revoked. Therefore, the Commission found that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would be significant if the order were revoked.<sup>62</sup>

## 2. Current Review

In the current review, the available information indicates that the market share of subject imports was \*\*\* higher in 2012 than in 2001, the last full year of the original period of investigation. Subject imports accounted for \*\*\* percent of apparent U.S. consumption in 2012, compared with \*\*\* percent in 2001 and \*\*\* percent in 2001.<sup>63</sup>

The data collected in the original investigation indicated that reporting producers of non-malleable cast iron pipe fittings in China had substantial capacity in 2001 and that their

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<sup>60</sup> USITC Pub. 3586 at 11.

<sup>61</sup> USITC Pub. 4023 at 11.

<sup>62</sup> USITC Pub. 4023 at 10-11.

<sup>63</sup> CR/PR at Table I-8 (see table notes on possible issues when comparing data between years). U.S. shipments of subject imports were 6,432 short tons in 2001, 12,832 short tons in 2007, and 6,838 short tons in 2012. Nevertheless, as previously discussed, apparent U.S. consumption was substantially lower in 2012 than in either 2001 or 2007, according to the data available. CR/PR at Table I-8.

capacity and production increased during the period of investigation.<sup>64</sup> Data available in this review suggest that these trends have continued. The record indicates that total Chinese exports of non-malleable cast iron pipe fittings within a broader classification that encompasses the subject merchandise<sup>65</sup> increased substantially from 2008 to 2012.<sup>66</sup> This increase in total Chinese exports of non-malleable cast iron pipe fittings suggests an increase in production of the subject merchandise in China during this period. These data indicate that the industry in China has the ability to continue to increase exports of the subject merchandise upon revocation.

The United States remains an attractive market to the industry in China. Subject imports have remained in the U.S. market in substantial volumes and available data suggest that the United States is the largest export market for non-malleable cast iron pipe fittings from China.<sup>67</sup> In light of the attractiveness of the U.S. market, we find that upon revocation the industry in China is likely to exercise its ability to increase exports of subject merchandise to the United States.<sup>68</sup>

Based on the significant increase in the volume of subject imports during the original investigation, especially at the end of the period, the continued significant levels of subject imports since then, the increase in the market share held by subject imports, the capacity and export orientation of the Chinese industry, and the importance of the U.S. market to Chinese producers, we find that Chinese producers would have the incentive and ability to ship significant volumes of additional exports to the United States if the order were revoked. Therefore, we find that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would be significant if the order were revoked.

## **D. Likely Price Effects**

### **1. Original Investigations**

In the original determination, the Commission found that the domestic like product and subject imports were largely substitutable and that price was an important factor in purchasing decisions. The Commission observed that the price comparisons showed underselling by the

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<sup>64</sup> USITC Pub. 3586 at 17, VII-2.

<sup>65</sup> The available data are based on an HTS classification for exports of non-malleable cast iron pipe fittings that includes both subject and nonsubject merchandise, such as cast iron soil pipe fittings. CR/PR at Tables I-9, I-10.

<sup>66</sup> CR/PR at Tables I-9, I-10, I-11.

<sup>67</sup> CR/PR at Tables I-8, I-10, I-11.

<sup>68</sup> Due to the failure of any foreign producer, exporter, or importer of subject merchandise from China to participate in this review, the record does not contain current information regarding any existing inventories of subject merchandise or any likely increase in such inventories. The record does not indicate the existence of tariff or non-tariff barriers specific to non-malleable cast iron pipe fittings from China in any third-country markets. CR at I-33, PR at I-20.

subject merchandise in each calendar-year quarter examined and that the margins of underselling increased markedly toward the end of the period of investigation. Nonetheless, the Commission found that the record did not indicate that subject imports depressed or suppressed domestic prices, because the prices for the domestic product rose \*\*\* over the period and it did not appear that the domestic industry would have been able to make additional price increases given the weak market conditions. Accordingly, the Commission found the current price effects of subject imports not to be significant.<sup>69</sup>

In its analysis of threat of material injury, the Commission found that the domestic industry's apparent strategy of not matching the prices of subject imports would likely change and that the growing volume and margins of underselling of subject imports could cause the domestic industry to lower its prices, or refrain from raising its prices, in order to limit its loss of additional sales.<sup>70</sup>

In the expedited first review, the Commission observed that the record did not include any new product-specific pricing information and also did not include any other information that would suggest that price was no longer an important factor in purchasing decisions. The Commission consequently found, as in the original investigation, that subject imports would likely undersell the domestic like product to gain market share. The Commission also found that, as the volume of low-priced subject imports increased, and the disparity between prices for the domestic like product and subject imports grew, any preference of certain purchasers for the domestic like product would likely erode. The volume of subject imports at those prices, in turn, would likely have significant depressing or suppressing effects on prices of the domestic like product. Therefore, the Commission concluded, if the order were revoked, subject imports from China likely would increase significantly at prices that likely would undersell the domestic like product, and those imports would likely have a significant depressing or suppressing effect on prices for the domestic like product.<sup>71</sup>

## **2. Current Review**

In this review, the record does not contain current pricing comparisons due to the failure of respondent interested parties to participate and the expedited nature of the review. We continue to find, in the absence of record evidence indicating changes in the conditions of competition, that the domestic like product and subject imports are largely substitutable and that price is an important factor in purchasing decisions. Consequently, if the order were revoked, subject imports would again likely undersell the domestic like product to gain market share, as occurred during the original period of investigation.

We find that, in the event of revocation, increasing volumes of low-priced subject imports would likely have significant depressing or suppressing effects on prices of the domestic like product. We, therefore, conclude that the likely significant volume of subject

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<sup>69</sup> USITC Pub. 3586 at 12-13.

<sup>70</sup> USITC Pub. 3586 at 18.

<sup>71</sup> USITC Pub. 4023 at 12.

imports upon revocation would likely have significant adverse effects on prices for the domestic like product.

**E. Likely Impact<sup>72</sup>**

**1. Original Investigations**

In its original determination, the Commission found that the subject imports did not have a significant current impact on the domestic industry's performance. Although a number of the performance indicators for the domestic industry declined, the Commission found that the declines resulted mainly from declining apparent U.S. consumption. The Commission also found, however, that the domestic industry was vulnerable to the effects of subject imports in the imminent future in light of its weakened state.<sup>73</sup>

In making its affirmative determination of threat of material injury, the Commission found that the significantly increased volume and market share of imports in the imminent future would have a significant negative impact on the domestic industry's production, capacity utilization, employment, revenues, and profitability. It further found that, given the already weakened condition of the domestic industry, this negative impact would be such that the industry would be materially injured.<sup>74</sup>

In the expedited first review, given the likely significant increase in the volume of subject imports and the likely adverse price effects, the Commission found the domestic industry would likely experience significant declines in production, shipments, sales, and revenue levels, with eventual losses in profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments. The limited information on the record was insufficient to enable the Commission to determine whether the domestic industry was vulnerable. Nonetheless, the Commission concluded that revocation of the orders would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.<sup>75</sup>

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<sup>72</sup> Under the statute, "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. After conducting an expedited review of the antidumping duty order on non-malleable cast iron pipe fittings from China, Commerce determined that revocation of the order would likely lead to continuation or recurrence of dumping at weighted-average margins of up to 75.50 percent. 78 Fed. Reg. at 72639.

<sup>73</sup> USITC Pub. 3586 at 13-15.

<sup>74</sup> USITC Pub. 3586 at 18.

<sup>75</sup> USITC Pub. 4023 at 13-14.

## 2. Current Review

Because this is an expedited review, we have only limited information with respect to the domestic industry's financial performance, consisting of data that Domestic Producers provided in response to the notice of institution. The limited record is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.<sup>76</sup>

In 2012, the capacity of the U.S. producers of non-malleable cast iron pipe fittings was \*\*\* short tons, production was \*\*\* short tons, and capacity utilization was \*\*\* percent.<sup>77</sup> U.S. shipments were \*\*\* short tons, and Domestic Producers reported an operating \*\*\* of \$\*\*\* from sales of \$\*\*\*, resulting in an operating \*\*\* margin of \*\*\* percent in 2012.<sup>78</sup>

Based on the information on the record, we find that, should the order be revoked, the likely significant volume and price effects of the subject imports would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. These declines would likely have a direct adverse impact on the domestic industry's profitability.

In our analysis, we typically examine known factors other than subject imports which may cause injury so as not to attribute likely injury caused by these factors to the subject imports. In this review, however, there are no factors other than the subject imports that are known to be a likely cause of material injury.

Accordingly, we conclude that, if the order were revoked, subject imports would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

## V. Conclusion

For the foregoing reasons, we determine that revocation of the antidumping duty order on non-malleable cast iron pipe fittings from China would likely 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>76</sup> Based on the limited record of this review Commissioner Pinkert finds that the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders. The domestic industry's market share has declined since the original investigations, and in 2012 import shipments accounted for \*\*\* percent of apparent U.S. consumption. CR/PR at Table I-8. The industry's capacity utilization in 2012 was \*\*\* percent even though there were fewer domestic producers in 2012 than in 2001. It had an operating margin of \*\*\* percent in 2012, which is profitable, but lower than its operating margin in the first two years of the original investigations. U.S. production, net sales, and shipments were much lower in 2012 than in 2001. CR at I-22, PR at I-13; CR/PR at Table I-3.

<sup>77</sup> CR/PR at Table I-3.

<sup>78</sup> CR/PR at Table I-3.

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

## INFORMATION OBTAINED IN THE REVIEW

### INTRODUCTION

#### Background

On July 1, 2013, the U.S. International Trade Commission (“Commission” or “USITC”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted a review to determine whether revocation of the antidumping duty order on non-malleable cast iron pipe fittings (“NMPF”) from China would be likely to lead to continuation or recurrence of material injury to a domestic industry.<sup>2</sup> On October 21, 2013, the Commission determined that the domestic interested party group response to the notice of institution was adequate<sup>3</sup> and the respondent interested party group response was inadequate.<sup>4</sup> In the absence of respondent interested party responses or any other circumstances that would warrant the conduct of a full review, the Commission determined to conduct an expedited review of the antidumping duty order pursuant to section 751(c)(3) of the Act.<sup>5</sup>

The following tabulation presents information relating to the background and schedule of this proceeding:

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

<sup>2</sup> *Non-Malleable Cast Iron Pipe Fittings From China Institution of a Five-Year Review*, 78 FR 39321, July 1, 2013. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

<sup>3</sup> The Commission received one submission from domestic producers Anvil International, LLC (“Anvil”) and Ward Manufacturing (“Ward”) (collectively referred to herein as “domestic interested parties”) in response to its notice of institution for the subject review. *Response of domestic interested parties*, July 31, 2013.

<sup>4</sup> The Commission did not receive a response from any respondent interested parties to its notice of institution.

<sup>5</sup> *Non-Malleable Cast Iron Pipe Fittings From China; Scheduling of an Expedited Five-Year Review Concerning the Antidumping Duty Order on Non-Malleable Cast Iron Pipe Fittings From China*, 78 FR 68474, November 14, 2013.

<b>Effective date</b>	<b>Action</b>
April 7, 2003	Notice of antidumping duty order on NMPF from China (68 FR 16765) <a href="http://www.gpo.gov/fdsys/pkg/FR-2003-04-07/pdf/03-8414.pdf">http://www.gpo.gov/fdsys/pkg/FR-2003-04-07/pdf/03-8414.pdf</a>
August 15, 2008	Continuation of antidumping duty order on NMPF from China (73 FR 47887) <a href="http://www.gpo.gov/fdsys/pkg/FR-2008-08-15/pdf/E8-18941.pdf">http://www.gpo.gov/fdsys/pkg/FR-2008-08-15/pdf/E8-18941.pdf</a>
July 1, 2013	Commission's institution of a second five-year review (78 FR 39321) <a href="http://www.gpo.gov/fdsys/pkg/FR-2013-07-01/pdf/2013-15556.pdf">http://www.gpo.gov/fdsys/pkg/FR-2013-07-01/pdf/2013-15556.pdf</a>
July 1, 2013	Commerce's initiation of a second five-year review (78 FR 39256) <a href="http://www.gpo.gov/fdsys/pkg/FR-2013-07-01/pdf/2013-15708.pdf">http://www.gpo.gov/fdsys/pkg/FR-2013-07-01/pdf/2013-15708.pdf</a>
October 21, 2013	Commission's notice of scheduling of an expedited five-year review (78 FR 68474) <a href="http://www.gpo.gov/fdsys/pkg/FR-2013-11-14/pdf/2013-27212.pdf">http://www.gpo.gov/fdsys/pkg/FR-2013-11-14/pdf/2013-27212.pdf</a>
January 16, 2014	Commission's vote
January 29, 2014	Commission's determination

### **The original investigation**

The original investigation was instituted on February 21, 2002, following receipt of a petition filed with the Commission and Commerce by Anvil and Ward, alleging that an industry in the United States was materially injured and threatened with material injury by reason of less-than-fair-value (“LTFV”) imports of NMPF from China. On February 18, 2003, Commerce published final determinations that imports of NMPF from China were being sold at LTFV.<sup>6</sup> The Commission subsequently determined that the industry in the United States producing NMPF was threatened with material injury by reason of LTFV imports of the subject merchandise from China on March 24, 2003.<sup>7</sup> The antidumping duty order was issued by Commerce on April 7, 2003.<sup>8</sup>

### **First five-year review**

The Commission instituted its first five-year review on March 3, 2008. The Commission received a joint response to its notice of institution from Anvil and Ward. The Commission did not receive a response from any respondent interested parties. The Commission found the domestic interested party response to the notice of institution adequate, and the respondent interested party response inadequate on June 6, 2008, and determined that it would conduct an expedited review.<sup>9</sup>

On July 24, 2008, the Commission determined that revocation of the antidumping duty order on NMPF from China would be likely to lead to continuation or recurrence of material

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<sup>6</sup> *Notice of Final Determination of Sales at Less Than Fair Value: Non-Malleable Cast Iron Pipe Fittings from the People's Republic of China*, 68 FR 7765, February 18, 2003.

<sup>7</sup> *Non-Malleable Cast Iron Pipe Fittings From China*, 68 FR 15743, April 1, 2003.

<sup>8</sup> *Notice of Antidumping Duty Order: Non-Malleable Cast Iron Pipe Filings From the People's Republic of China*, 68 FR 16765, April 7, 2003.

<sup>9</sup> *Non-Malleable Cast Iron Pipe Fittings From China Investigation No. 731-TA-990 (Review)*, USITC Publication 4023, July 2008, p. 3.

injury to an industry in the United States within a reasonably foreseeable time.<sup>10</sup> Commerce issued a continuation of the antidumping duty order on August 15, 2008.<sup>11</sup>

### Dumping margin history and Commerce's reviews

Since the original investigation, Commerce has completed three administrative reviews with respect to imports of NMPF from China. There have been no new shipper reviews and no duty absorption findings. Information on Commerce's final determination, antidumping duty margins, and administrative review determinations is presented in table I-1.

**Table I-1**  
**Non-malleable cast iron pipe fittings: Commerce's antidumping duty margins, and administrative review determinations**

Action	Date of action	Federal Register citation	Period of review	Antidumping duty margins	
				Firm-specific	Country-wide
				Percent ad valorem	
Antidumping duty order	04/07/2003	68 FR 16765	--	7.08 <sup>1</sup> 6.34 <sup>2</sup>	75.50
Final results of administrative review	12/01/2006	71 FR 69546	04/01/2004-03/31/2005	75.50 <sup>3</sup>	
Final results of administrative review	07/13/2007	72 FR 38563	04/01/2005-03/31/2006	75.50 <sup>3</sup>	75.50
Final results of first five-year review	07/10/2008	73 FR 39656 73 FR 47887	--	7.08 <sup>1</sup> 6.34 <sup>2</sup>	75.50
Final results of administrative review	06/02/2011	76 FR 31936	04/01/2009-03/31/2010	0.00 <sup>4</sup>	
Final results of second five-year review	12/03/2013	Publication pending	--		75.50

Note. -- The country-wide rate applies to all companies that otherwise have not received a "firm-specific" rate.

<sup>1</sup> Jian Meide Casting Co., Ltd.

<sup>2</sup> Shanghai Foreign Trade Enterprises Co. Ltd.

<sup>3</sup> Myland Industrial Co., Ltd. and Myland Buxin Foundry Ltd.

<sup>4</sup> NEP (Tianjin) Machinery Co.

Source: Cited *Federal Register* notices.

<sup>10</sup> *Non-Malleable Cast Iron Pipe Fittings From China*, 73 FR 45075, August 1, 2008.

<sup>11</sup> *Continuation of Antidumping Duty Order on Non-Malleable Cast Iron Pipe Fittings from the People's Republic of China*, 73 FR 47887, August 15, 2008.

On May 29, 2012, Commerce issued the final results of an antidumping duty changed circumstances review. Commerce stated that because the domestic industry affirmatively expressed a lack of interest in the continuation of the order with respect to a particular brake fluid connector (“connector”), it revoked the antidumping duty order with regard to this particular connector.<sup>12</sup> The connector that was excluded is defined as follows:

A “joint block” for brake fluid tubes and is made of non-malleable cast iron to Society of Automotive Engineers (SAE) automotive standard J431. The tubes have an inside diameter of 3.44 millimeters (0.1355 inches) and the inside diameters of the fluid flow channels of the connector are 3.2 millimeters (0.1260 inches) and 3.8 millimeters (0.1496 inches). The end of the tube is forced by pressure over the end of a flared opening in the connector also known as “flared joint.” The flared joint, once made fast, permits brake fluid to flow through channels that never exceed 3.8 millimeters (0.1496 inches) in diameter.<sup>13</sup>

Commerce has issued three scope rulings relating to NMPF from China. On May 10, 2005, Commerce determined that certain electrical conduit fittings are within the scope of the antidumping order.<sup>14</sup> On December 1, 2008, Commerce determined that black cast iron flange, green ductile iron flange, and cast iron “Twin Tee” are within the scope of the antidumping order.<sup>15</sup> On September 27, 2013, Commerce issued a scope ruling stating that all of R.W. Beckett Corporation’s pipe fittings except for those that are not made of cast iron (i.e., three pipe fittings that are made of either aluminum or zinc alloy) are within the scope of the order because they are pipe fittings made of cast iron and, therefore, fit the physical description of the subject merchandise.<sup>16</sup>

### **Previous and related investigations and reviews<sup>17</sup>**

On April 13, 1977, the Commission instituted investigation No. TA-201-26 under section 201 of the Trade Act of 1974 concerning malleable cast iron pipe and tube fittings in response to a petition filed by the American Pipe Fittings Association (“APFA”). On September 19, 1977, the Commission reported to the President its unanimous finding that malleable cast iron pipe and tube fittings were not being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing a like or directly competitive article.

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<sup>12</sup> The order was revoked retroactive to April 1, 2011.

<sup>13</sup> *Non-Malleable Cast Iron Pipe Fittings From the People’s Republic of China: Final Results of Antidumping Duty Changed Circumstances Review, and Revocation of Order, in Part*, 77 FR 31577, May 29, 2012.

<sup>14</sup> *Notice of Scope Rulings*, 70 FR 24534, May 10, 2005.

<sup>15</sup> *Notice of Scope Rulings*, 73 FR 72772, December 1, 2008.

<sup>16</sup> *Notice of Scope Rulings*, 78 FR 59653, September 27, 2013.

<sup>17</sup> Unless otherwise noted, this information is based on the following publication: *Non-Malleable Cast Iron Pipe Fittings From China Investigation No. 73 -TA-990 (Review)*, USITC Publication 4023, July 2008, pp. I-6 – I-8.

On January 7, 1980, Commerce advised the Commission that a countervailing duty investigation had resulted in a preliminary determination that the Government of Japan was providing benefits that might constitute bounties or grants on the manufacture, production, or exportation of certain malleable cast iron pipe fittings. Accordingly, the Commission instituted investigation No. 701-TA-9 (Final) under section 703(a) of the Tariff Act of 1930 to determine whether an industry in the United States was materially injured or threatened with material injury by reason of the importation of these pipe fittings into the United States. On March 20, 1980, the Commission terminated the investigation upon written request by petitioners, the APFA.

On September 18, 1984, the Cast Iron Pipe Fittings Committee ("CIPFC") filed a petition with the Commission and Commerce alleging that an industry in the United States was materially injured or threatened with material injury by reason of imports from Brazil and India of certain cast iron pipe fittings, other than cast iron soil pipe, which were allegedly subsidized by the Governments of Brazil and India. On October 9, 1984, following receipt of a letter from counsel for the petitioners withdrawing the petition relating to imports of the subject merchandise from India, the Commission terminated the investigation concerning India. In the remaining investigation concerning Brazil, the Commission made final determinations that there were two domestic like products, malleable cast iron pipe fittings and NMPF, other than cast iron soil pipe, and that there was no material injury or threat thereof to domestic industries by reason of imports of malleable or non-malleable cast iron pipe fittings which were subsidized by the Government of Brazil.<sup>18</sup>

Effective July 31, 1985, the Commission instituted investigation Nos. 731-TA-278-281 following receipt of an antidumping petition from the CIPFC alleging that malleable cast iron pipe fittings from Brazil, Korea, and Taiwan were being sold in the United States at LTFV and that non-malleable cast iron pipe fittings, other than for cast iron soil pipe, from Taiwan were being sold in the United States at LTFV.<sup>19</sup> On January 14, 1986, Commerce published notice of its preliminary determinations that malleable cast iron pipe fittings from Brazil, Korea, and Taiwan were being, or were likely to be, sold in the United States at LTFV and that non-malleable cast iron pipe fittings from Taiwan were not being, or likely to be, sold in the United States at LTFV.<sup>20</sup> Accordingly, effective January 13, 1986, the Commission instituted investigation Nos. 731-TA-278-280 (Final) concerning malleable pipe fittings from Brazil, Korea, and Taiwan. In its final investigations, the Commission found that an industry in the United States was materially injured by reason of LTFV imports from Brazil, Korea, and Taiwan of malleable cast iron pipe fittings, excluding "groove-lock" pipe fittings, whether or not advanced in condition by operations or processes (such as threading) subsequent to the casting process. No information was presented nor arguments made during the investigations which indicated that the Commission should adopt definitions of the domestic like products different from those made in the previous subsidy investigation concerning Brazil.

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<sup>18</sup> Subsequently, the petition with respect to non-malleable cast iron pipe fittings was withdrawn and the investigation terminated (51 FR 10648, March 28, 1986).

<sup>19</sup> On August 7, 1985, the Commission received a letter from counsel for the petitioner amending the petition to exclude "groove-lock pipe" fittings.

<sup>20</sup> Subsequently, the petition with respect to non-malleable cast iron pipe fittings was withdrawn and the investigation terminated (51 FR 10648, March 28, 1986).

On August 29, 1986, an antidumping petition was filed on behalf of the CIPFC alleging that malleable cast iron pipe fittings from Japan and Thailand were being sold at LTFV. In June 1987, the Commission determined that an industry in the United States was materially injured by reason of LTFV imports of malleable cast iron pipe fittings from Japan, and in August 1987, the Commission determined that an industry in the United States was materially injured by reason of LTFV imports of malleable cast iron pipe fittings from Thailand.<sup>21</sup>

On January 4, 1999, the Commission instituted reviews to determine whether revocation of the antidumping duty orders on malleable cast iron pipe fittings from Brazil, Japan, Korea, Taiwan, and Thailand would likely lead to the continuation or recurrence of material injury to a domestic industry. After conducting full reviews pursuant to section 751(c)(5) of the Act, the Commission determined that revocation of the antidumping duty orders covering malleable cast iron pipe fittings from Brazil, Taiwan, and Thailand would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time,<sup>22</sup> and that revocation of the antidumping duty orders concerning malleable cast iron pipe fittings from Japan and Korea 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>23</sup> In each of the original investigations, the Commission had defined the domestic like product as all malleable cast iron pipe fittings other than grooved. In the reviews, no party argued for a different like product definition. The Commission found no need to revisit its original determinations concerning domestic like product and adopted the same definition as was used in the original determinations.<sup>24</sup>

On October 30, 2002, Anvil and Ward filed a petition alleging that an industry in the United States was being materially injured or threatened with material injury by reason of LTFV imports from China of malleable cast iron pipe fittings. In December 2003, the Commission determined that an industry in the United States was threatened with material injury by reason of imports from China of malleable cast iron pipe fittings that were found by Commerce to be sold in the United States at LTFV. The Commission defined the domestic like product as all malleable cast iron pipe fittings other than grooved. In its determination, it noted that “because of differences in physical characteristics, uses and production processes, the lack of

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<sup>21</sup> The Commission rejected arguments presented in the Japan/Thailand investigations that the domestic like product should be defined to include grooved and/or non-malleable pipe fittings, as well as malleable cast iron pipe fittings.

<sup>22</sup> Commerce published notice of the revocation of the orders on malleable cast iron pipe fittings from Brazil, Taiwan, and Thailand, effective January 1, 2000. 65 FR 10470, February 28, 2000.

<sup>23</sup> The Commission instituted its second five-year reviews concerning the antidumping duty orders on malleable cast iron pipe fittings from Japan and Korea on January 3, 2005. Commerce subsequently published notice that it was revoking the orders because of the lack of participation in the second five-year reviews by the domestic interested parties. 70 FR 18368, April 11, 2005. Accordingly, the Commission terminated its five-year reviews effective February 28, 2005. 70 FR 20595, April 20, 2005.

<sup>24</sup> *Malleable Cast-Iron Pipe Fittings From Brazil, Japan, Korea, Taiwan, and Thailand*, Investigation Nos. 731-TA-278-280 and 731-TA-347-348 (Review), USITC Publication 3274, February 2000, p. 5.

interchangeability, and the perceptions of those in the trade, malleable fittings were distinct from non-malleable fittings and grooved fittings.”<sup>25</sup>

On November 3, 2008, the Commission gave notice that it instituted a review to determine whether revocation of the antidumping duty order on imports of malleable cast iron pipe fittings from China would be likely to lead to continuation or recurrence of material injury.<sup>26</sup> On February 9, 2009, the Commission determined that revocation of the antidumping duty order on malleable iron pipe fittings from China 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>27</sup>

## THE PRODUCT

### Commerce’s scope

In the most recent *Federal Register* notice in which the scope of the order concerning NMPF from China was published, Commerce defined the subject merchandise as follows:

The products covered by the order are finished and unfinished non-malleable cast iron pipe fittings with an inside diameter ranging from 1/4 inch to 6 inches, whether threaded or unthreaded, regardless of industry or proprietary specifications. The subject fittings include elbows, ells, tees, crosses, and reducers as well as flanged fittings. These pipe fittings are also known as “cast iron pipe fittings” or “gray iron pipe fittings.” These cast iron pipe fittings are normally produced to ASTM A-126 and AMSE B.16.4 specifications and are threaded to ASME B1.20.1 specifications. Most building codes require that these products are Underwriters Laboratories (UL) certified. The scope does not include cast iron soil pipe fittings or grooved fittings or grooved couplings. Fittings that are made out of ductile iron that have the same physical characteristics as the gray or cast iron fittings subject to the scope above or which have the same physical characteristics and are produced to ASME B.16.3, ASME B.16.4, or ASTM A-395 specifications, threaded to ASME B1.20.1 specifications and UL certified, regardless of metallurgical differences between gray and ductile iron, are also included in the scope of the order. These ductile fittings do not include grooved fittings or grooved couplings. Ductile cast iron fittings with mechanical joint ends (MJ), or push on ends (PO), or flanged ends and produced to the American Water Works Association (AWWA) specifications AWWA C110 or AWWA C153 are not included. Additionally, certain brake fluid tube connectors are excluded from the scope of this order.<sup>28 29</sup>

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<sup>25</sup> *Malleable Iron Pipe Fittings From China*, Investigation No. 731-TA-1021 (Final), USITC Publication 3649. December 2003, pp. 1 and 5-6.

<sup>26</sup> *Malleable Cast Iron Pipe Fittings From China*, 73 FR 65401, November 3, 2008.

<sup>27</sup> *Malleable Iron Pipe Fittings From China*, 74 FR 16233, April 9, 2009.

<sup>28</sup> To be excluded from the scope, the connector must meet the following description: The connector is a “joint block” for brake fluid tubes and is made of nonmalleable cast iron to Society of Automotive Engineers (SAE) automotive standard J431. The tubes have an inside diameter of 3.44 millimeters

## U.S. tariff treatment

NMPF, provided for under subheading 7307.11.00 (tube or pipe fittings (for example, couplings, elbows, sleeves), of iron or steel, cast fittings, of non-malleable cast iron), have a normal trade relations tariff rate of 4.8 percent ad valorem applicable to imports from China. When provided for under subheading 7307.19.30 (tube or pipe fittings (for example, couplings, elbows, sleeves), of iron or steel, cast fittings, other, ductile fittings), they have a normal trade relations tariff rate of 5.6 percent ad valorem applicable to imports from China.

### Domestic like product and domestic industry

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. 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.

The Commission found in its original investigation concerning NMPF from China that there was a single domestic like product consisting of non-malleable and ductile case iron pipe fittings corresponding to Commerce's scope and that the domestic industry consisted of all domestic producers of non-malleable and ductile cast iron pipe fittings corresponding to Commerce's scope.<sup>30</sup>

The Commission found a single domestic like product consisting of non-malleable and ductile cast iron pipe fittings corresponding to the scope in the first five-year review.<sup>31</sup> The domestic interested parties indicated in their response to the Commission's notice of institution in this second five-year review that they agree with the definition of the domestic like product set out in the Commission's notice of institution, and believe that Anvil should be considered a part of the domestic industry.<sup>32</sup>

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(0.1355 inches) and the inside diameters of the fluid flow channels of the connector are 3.2 millimeters (0.1260 inches) and 3.8 millimeters (0.1496 inches). The end of the tube is forced by pressure over the end of a flared opening in the connector also known as "flared joint." The flared joint, once made fast, permits brake fluid to flow through channels that never exceed 3.8 millimeters (0.1496 inches) in diameter.

<sup>29</sup> *Non-Malleable Cast Iron Pipe Fittings From the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review, and Revocation of Order, in Part*, 77 FR 31577, May 29, 2012.

<sup>30</sup> *Non-Malleable Cast Iron Pipe Fittings From China Investigation No. 731-TA-990 (Final)*, USITC Publication 3586, March 2003, p. 8.

<sup>31</sup> *Non-Malleable Cast Iron Pipe Fittings From China: Investigation No. 731-TA-990 (Review)*, USITC Publication 4023, July 2008, p. 5.

<sup>32</sup> *Response of domestic interested parties*, July 31, 2013, p. 24.

## Physical characteristics and uses<sup>33</sup>

Pipe fittings are generally used for connecting the bores of two or more pipes or tubes, connecting a pipe to some other apparatus, changing the direction of fluid flow, or closing the pipe. The material from which the subject fittings are made, cast iron, is a general term for alloys which are primarily composed of iron, carbon (more than two percent), and silicon. Made to ASTM/ASME specifications, iron castings exhibit mechanical properties which are determined by the cooling rate during and after solidification by chemical composition, by heat treatment, by design, and by the nature of the molding technique. During the cooling and solidification processes, carbon is segregated within the crystalline structure of the iron in the form of iron carbide or graphite, resulting in different types of cast irons with different physical properties. In practice, iron castings are best identified by their micro-structures rather than by their chemical compositions.<sup>34</sup>

There are three basic metallurgical types of cast iron pipe fittings, namely non-malleable (or gray) fittings, ductile fittings, and malleable fittings. These types of fittings and the cast iron from which they are made are discussed below.

Non-malleable iron (also referred to as gray iron) is defined by the ASTM as cast iron that has fine graphite flakes which are formed during cooling. Gray iron has excellent machinability, wear resistance, and high hardness value. Gray irons exhibit no elastic behavior and is comparatively weak, with a tensile strength ranging from 20,000 to 58,000 psi. Fittings produced from gray iron are used primarily in fire protection/sprinkler systems, but are also used in the steam conveyance systems installed in buildings in older inner cities. The fire protection/ sprinkler system market is by far the dominant use for these fittings in the United States, accounting for approximately 90 to 95 percent of shipments. The steam conveyance market represents another 5 percent of shipments, with other uses constituting less than 5 percent of shipments. These non-malleable cast iron pipe fittings are primarily produced to ASTM A-126 and ASME B.16.4 specifications.

Ductile iron is a cast iron that has a very small but definite amount of magnesium added in the liquid state so as to induce the formation of graphite as spheroids or nodules. Ductile iron fittings have exceptional tensile strength, good machinability, high impact resistance, and corrosion resistance. Ductile iron has the ductility of malleable iron and the corrosion resistance of alloy cast iron. It compares in strength and elastic properties with cast steel and can be stronger than malleable iron, with a tensile strength ranging from 60,000 to 100,000 psi. Ductile iron fittings are superior to gray iron fittings in elastic properties, impact resistance, yield strength/ weight, and wear resistance; ductile fittings are inferior to gray fittings in ease of machining, vibration damping, and cost of manufacture. The subject ductile cast iron pipe fittings marketed in the United States are used in the same primary applications as gray cast iron pipe fittings, *i.e.*, fire protection/sprinkler systems, and are typically produced to ASME

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<sup>33</sup> The discussion in this section is based on information from *Non-Malleable Cast Iron Pipe Fittings From China: Investigation No. 731-TA-990 (Review)*, USITC Publication 4023, July 2008, pp. I-10 – I-11.

<sup>34</sup> In normal iron casting, the ASTM/ASME standard specifications and the desirable mechanical properties of the castings, but not their chemical analyses, are specified to the manufacturer (or foundry) because the chemical compositions of these cast irons overlap.

B.16.3 specifications. Other nonsubject ductile cast iron pipe fittings are used in the United States for soil pipe and waterworks applications, such as fittings for underground water mains and main water supply fittings for buildings.<sup>35</sup>

Malleable iron is characterized by the existence of graphite as irregularly shaped nodules in its microscopic structure. The overall production and heat treatment process performed on malleable cast iron pipe fittings distinguishes the product from NMPF in chemical composition, microstructure, material strength, size, and weight. Malleable cast iron pipe fittings are lighter, thinner, stronger, and less brittle than NMPF and are used when shock and vibration resistance is required and where fittings are subject to quick temperature changes. The principal uses of malleable cast iron pipe fittings are in gas lines, piping systems of oil refineries, and building gas and water systems. In some applications, malleable cast iron pipe fittings may be substituted for NMPF, but due to the higher cost of the product, such substitution is uneconomical. Malleable fittings are not included in the imported products subject to this review.

Products specifically excluded from the scope include soil pipe and grooved fittings and couplings. Also excluded from the scope are flanged ductile cast iron fittings and ductile fittings produced to AWWA C110 or AWWA C153 specifications.<sup>36</sup> Cast iron soil pipe and fittings, which are typically produced from gray iron, are used primarily in building construction for sanitary and storm drain, waste, and vent piping applications. The product is installed in residential construction, hospitals, schools, and commercial and industrial structures. Cast iron soil pipe and fittings are typically produced in accordance with ASTM A-888, ASTM A-74, or Cast Iron Soil Pipe Institute (CISPI) 301 specifications and are available in sizes ranging from 2 to 15 inches. Grooved fittings and couplings, which are produced from ductile or malleable cast iron, are different forms of fittings in which a split coupling attaches to a circumferential groove near the end of each piece to be joined. A gasket inside the coupling serves as a seal for the pipe and the coupling. Flanged fittings are different from threaded fittings in that the flanged fittings are cast with an integral rim, or flange, at the end of the fitting. The flanged connection is made by inserting a gasket between the flanged ends of two separate pieces and securing the ends with several bolts.

### **Manufacturing process<sup>37</sup>**

Cast iron pipe fittings are manufactured using a technologically mature process. It begins with the making of molten iron in a foundry with fuel provided by foundry coke or an electric furnace. The raw materials are scrap steel, iron scrap, and other materials such as silicon carbide and carbon. The molten iron for cast iron fittings contains approximately 3.5 percent carbon, 2.5 percent silicon, and 0.5 percent manganese by weight, but may vary.

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<sup>35</sup> Fittings for use with soil pipe and ductile fittings for use in waterworks applications meeting AWWA C110 and AWWA C153 specifications are excluded from the scope of this investigation.

<sup>36</sup> Also excluded are ductile fittings with mechanical joint ends and push-on ends. These fittings are produced for waterworks applications and must meet AWWA C110 and AWWA C153 specifications.

<sup>37</sup> The discussion in this section is based on information from *Non-Malleable Cast Iron Pipe Fittings From China: Investigation No. 731-TA-990 (Review)*, USITC Publication 4023, July 2008, pp. I-11 – I-12.

The casting process begins with the making of a pattern, which has the same external form and shape as the designed fittings. Sand casting is the predominant method used in the making of cast iron fittings. Molding sand, after being mixed with a binder, is spread around the pattern in a mold, and then rammed by a machine to compact the sand. The pattern is then withdrawn, leaving a mold cavity in the sand. Solid molded sand cores are inserted to form the internal shape of the fitting. Two mold halves are put together with the core in the center. A system of gates, risers, and vents is provided in the casting cavity to ensure a smooth flow of the molten iron into the mold cavity under gravity.

To form the shape of the fittings, molten iron is poured into the mold cavity. After the iron solidifies, the red-hot fittings are shaken out of the sand on a shaker table or belt and allowed to cool for four to five hours.

The specific chemical compositions and manufacturing processes of malleable, non-malleable, and ductile iron fittings differ somewhat, although all are comprised mainly of iron. Many malleable, non-malleable, and ductile cast iron pipe fittings are available in similar configurations and all are produced using sand casting; however, the specific molds for the individual castings are reportedly not interchangeable. After casting, the production of non-malleable and ductile cast iron pipe fittings is essentially complete, except for cooling, cleaning, and, if necessary, machining, threading, or finishing. In contrast, malleable fittings are subjected to an additional process of annealing and controlled cooling after casting.

A ductile cast iron fitting, because of its superior physical yield strength, is lighter and has thinner walls than a non-malleable cast iron fitting of the same inside diameter. Therefore, on the basis of weight, ductile iron is more expensive to produce than non-malleable iron because of the inoculation of magnesium during the production process, more tightly controlled production conditions requiring a longer production process, and the relative difficulties in finishing compared with non-malleable iron. Malleable iron castings are more expensive to produce per pound than both the ductile iron and non-malleable iron castings because of the additional heat treatment process required. On the basis of pieces, however, the stronger ductile fittings have been described as a cost effective alternative to malleable fittings in that the ductile fittings cost less than the malleable fittings to manufacture, but are sold at prices similar to those of non-malleable fittings.

Manufacturing processes and technologies for iron castings are well-established and are similar throughout the world, although it was argued in the original investigation that the production process used in China to produce the subject merchandise is not as technologically advanced as that used in the United States.<sup>38</sup>

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<sup>38</sup> U.S. producers operate highly automated, state-of-the-art, high-volume plants, whereas the Chinese producers apparently have used a variety of production methods, some of which are reportedly not as technologically advanced nor as environmentally friendly as those used in the United States (*e.g.*, “floor molding”) and which were abandoned by U.S. producers decades ago. In addition, the U.S. foundry industry is heavily regulated and continued investment in pollution abatement is required of domestic producers as a condition of operations as new, more stringent standards are issued by the Environmental Protection Agency (EPA). The Chinese producers, on the other hand, have not been required to comply with these strict environmental regulations.

## **Interchangeability and customer and producer perceptions**

The Commission determined in the final phase of the original investigation that although there were perceived differences between non-malleable fittings and ductile fittings relating to physical properties and individual users' preferences, these two types of fittings were generally interchangeable in their dominant application (i.e., fire protection sprinkler systems). In addition,\*\*\* indicated that the U.S. and Chinese fittings were used interchangeably in the same applications.

### **Channels of distribution<sup>39</sup>**

Industry participants in the original investigation reported that NMPF are sold on a nationwide basis by the domestic manufacturers and importers to distributors which, in turn, sell to contractors of fire protection/sprinkler and steam heat conveyance systems. They also indicated that some ductile and non-malleable pipe fittings are distributed through the same channels with some distributors carrying both ductile and non-malleable pipe fittings and some dealing with only one type of fitting.

### **Pricing and related information**

The record in the original investigation indicated that the domestic like product and subject imports were largely substitutable and that price was an important factor in purchasing decisions. In the final phase of the original investigation the Commission collected pricing data for four non-malleable and four ductile cast iron pipe fitting products. The price comparison data indicated underselling by the subject non-malleable/ductile product in every comparison in each of the 15 quarters of the period from January 1999 to September 2002 for sales to distributors and end users. Margins of underselling ranged from 1.6 percent to 44.4 percent, with a marked increase in underselling toward the end of the 15-quarter period. The Commission noted, however, that although underselling by the subject imports reached significant levels late in the period examined in the final phase of the original investigation, the pricing data and other record information did not show depression or suppression of prices for the domestic like product. Instead, the Commission noted that the pricing data showed that prices for the domestic products increased over the period examined, notwithstanding declining apparent U.S. consumption. The Commission added that, given the prevailing weak market conditions, the domestic industry would not have been able to raise prices further, regardless of the effects of subject imports from China, and did not find the price effects of the subject imports to be significant.<sup>40</sup>

In the first expedited review, the Commission found that Chinese producers would likely increase exports to the United States significantly in the reasonably foreseeable future if the antidumping duty order were to be revoked and that subject imports would likely undersell the

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<sup>39</sup> The discussion in this section is based on information from *Non-Malleable Cast Iron Pipe Fittings From China: Investigation No. 731-TA-990 (Review)*, USITC Publication 4023, July 2008, p. I-13.

<sup>40</sup> *Non-Malleable Cast Iron Pipe Fittings From China: Investigation No. 731-TA-990 (Review)*, USITC Publication 4023, July 2008, p. I-13.

domestic like product in order to gain market share. The Commission determined that this volume of low-priced subject imports would likely erode any preference for the domestic like product which would have a significant depressing or suppressing effect on prices for the domestic like product.<sup>41</sup>

In their response to the notice of institution for this review, the domestic interested parties indicated that demand for NMPF is largely derived from nonresidential construction spending and that the best indicator of demand for NMPF is sprinkler head consumption; given that 90 to 95 percent of NMPF shipments are used in fire/sprinkler systems.<sup>42</sup> In the original investigation, the Commission noted that NMPF is relatively price inelastic, and sales are highly price sensitive. The domestic responding parties assert that they do not believe that anything has changed that would affect the price elasticity or sensitivity of the product.<sup>43</sup>

## THE INDUSTRY IN THE UNITED STATES

### U.S. producers

In the original investigation, there were four reported U.S. producers of NMPF.<sup>44</sup> In the first five-year review, there were three reported U.S. producers of NMPF.<sup>45</sup> In this second five-year review, the domestic interested parties believe that there are only two U.S. producers of NMPF.<sup>46</sup> The domestic interested party reported \*\*\* of NMPF production in 2012, compared to \*\*\* of NMPF production in 2007.<sup>47</sup> Table I-2 presents data on U.S. producers' locations and company shares of total domestic production for 2001, 2007, and 2012.

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<sup>41</sup> *Non-Malleable Cast Iron Pipe Fittings From China: Investigation No. 731-TA-990 (Review)*, USITC Publication 4023, July 2008, p. I-11.

<sup>42</sup> *Response of domestic interested parties*, July 31, 2013, p. 5.

<sup>43</sup> *Response of domestic interested parties*, July 31, 2013, p. 7.

<sup>44</sup> The four producers were Anvil, Buck, Frazier, and Ward. *Non-Malleable Cast Iron Pipe Fittings From China Investigation No. 731-TA-990 (Review)*, USITC Publication 4023, July 2008, table I-3.

<sup>45</sup> The three producers were Anvil, Frazier, and Ward. *Non-Malleable Cast Iron Pipe Fittings From China Investigation No. 731-TA-990 (Review)*, USITC Publication 4023, July 2008, table I-3.

<sup>46</sup> *Response of domestic interested parties*, July 31, 2013, exh. 7.

<sup>47</sup> See table I-3.

**Table I-2**

**Non-malleable cast iron pipe fittings: U.S. producers' locations and company shares of total domestic production, 2001, 2007, and 2012**

Firm	Location	Share of domestic production ( <i>percent</i> )		
		2001	2007	2012
Anvil	Exeter, NH	***	***	***
Buck	Quarryville, PA	( <sup>1</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Frazier	Coolidge, TX	***	***	( <sup>2</sup> )
Ward	Blossburg, PA	***	***	***

<sup>1</sup>Buck's production of the subject fittings for Ward during 2001 accounted for \*\*\* percent of total reported domestic production in that year.

<sup>2</sup>The domestic interested parties did not identify this firm as a current domestic producer.

Source: *Non-Malleable Cast Iron Pipe Fittings From China Investigation No. 731-TA-990 (Review)*, USITC Publication 4023, July 2008, table I-3; *Response of domestic interested parties*, July 31, 2013, exh. 7.

**U.S. producers' trade and financial data**

Table I-3 presents data on U.S. producers' select trade and financial data in 1999-2001, 2007, and 2012. Table I-4 presents data on the domestic interested parties' NMPF operations in 2012.

**Table I-3**

**Non-malleable cast iron pipe fittings: U.S. producers' trade and financial data, 1999-2001, 2007, and 2012**

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**Table I-4**

**Non-malleable cast iron pipe fittings: domestic interested parties NMPF operations for 2012**

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The domestic interested parties contend that the domestic industry is vulnerable, with an operating income margin of \*\*\* percent in 2012,<sup>48</sup> and capacity utilization of \*\*\* percent in 2012.<sup>49</sup> The domestic interested parties indicated that the industry remains vulnerable given that nonresidential construction has declined since the end of the first review period and nonresidential spending has been flat.<sup>50</sup>

**Related party issues**

In both the original investigation and first five-year review, the Commission defined the domestic industry as consisting of all producers of non-malleable and ductile cast iron pipe

<sup>48</sup> *Response of domestic interested parties*, July 31, 2013, p. 20.

<sup>49</sup> *Ibid.*, p. 20.

<sup>50</sup> *Ibid.*, p. 20.

fittings corresponding to the scope. \*\*\* the first five-year review, the Commission determined that Anvil was a related party, but declined to exclude Anvil from the domestic industry.<sup>51</sup>

Anvil purchased Star Pipe Products (“Star Pipe”) in January 2004. Star Pipe was a major importer of subject NMPF from China located in Houston, TX. The acquisition formed AnvilStar Fire Products Division. Anvil indicated that its purchase of Star Pipe was done in order to “remain competitive in the U.S. market.”<sup>52</sup>

In 2012, the quantity of Anvil’s subject imports from China was \*\*\* short tons with a value of \*\*\*. Anvil’s imports of the subject merchandise exceeded its domestic production during 2012 \*\*\*. Anvil’s imports accounted for \*\*\* percent of total U.S. imports of subject merchandise during 2012 as reported in Commerce’s official import statistics (HTS 7307.11.0030 and 7307.11.0060).<sup>53</sup> Data on Anvil’s subject imports are presented in table I-5.

**Table I-5**  
**Non-malleable cast iron pipe fittings: Anvil’s subject imports, 2007 and 2012**

\* \* \* \* \*

In their response to the notice of institution, the domestic interested parties argued that Anvil should not be excluded from the domestic industry. The domestic interested parties stated that, “Anvil imports some NMPF simply because some customers insist on the lower prices available for imported NMPF.”<sup>54</sup> \*\*\*.<sup>55</sup>

## U.S. IMPORTS AND APPARENT CONSUMPTION

### U.S. importers

In the original investigation, there were 11 confirmed importers of NMPF.<sup>56</sup> In the first five-year review, the domestic interested parties listed four companies believed to be U.S. importers of subject merchandise: Matco-Norca, Smith-Cooper International, Star Pipe, and JDH Pacific.<sup>57</sup>

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<sup>51</sup> *Non-Malleable Cast Iron Pipe Fittings From China Investigation No. 731-TA-990 (Review)*, USITC Publication 4023, July 2008, pp. 5-6.

<sup>52</sup> *Staff Report to the Commission on Investigation No. 731-TA-990 (Review)*, June 26, 2008 (INV-FF-073), p. I-27.

<sup>53</sup> In their response to the notice of institution, the domestic interested parties indicated that they believe the Commission should include HTS 7307.19.3060 as well \*\*\*.

<sup>54</sup> *Response of domestic interested parties*, July 31, 2013, p. 28.

<sup>55</sup> *Ibid.* p. 28.

<sup>56</sup> *Non-Malleable Cast Iron Pipe Fittings From China, Staff Report to the Commission on Investigation No. 731-TA-990*, February 27, 2003, pp. IV-1 – IV – 2.

<sup>57</sup> *Staff Report to the Commission on Investigation No. 731-TA-990 (Review)*, June 26, 2008 (INV-FF-073), p. I-29

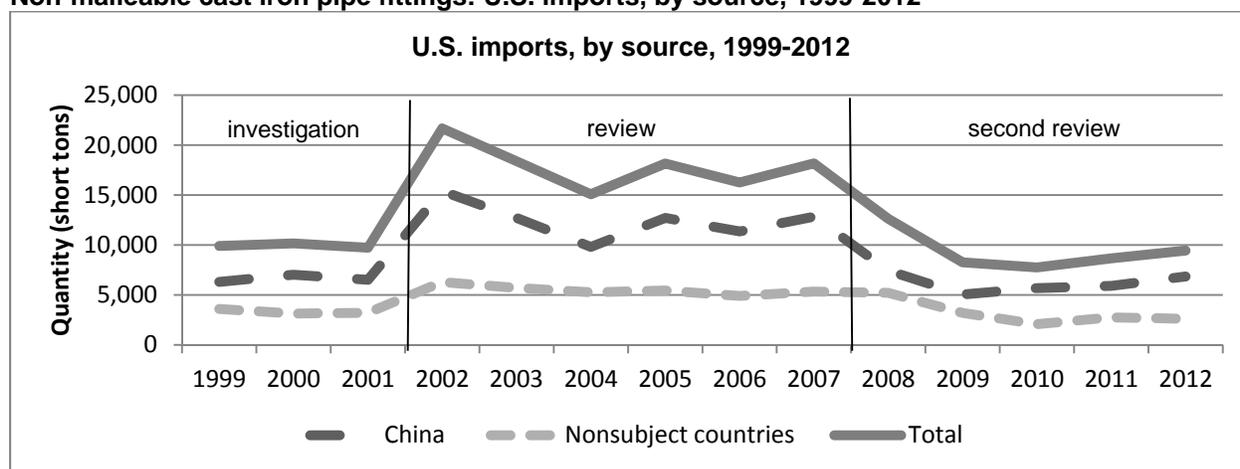
In their response to the Commission’s notice of institution for this second five-year review, the domestic interested parties listed five companies as U.S. importers of NMPF from China: Anvil, Matco-Norca, Smith Cooper International, Star Products Co., and JDH Pacific Inc.<sup>58</sup> Data on Anvil’s subject imports are presented in table I-5.

### U.S. imports

According to Commerce’s scope description, imports of covered merchandise are classifiable in the Harmonized Tariff Schedule of the United States (“HTS”) under item numbers 7307.11.0030, 7307.11.0060, 7307.19.3060, and 7307.19.3085.<sup>59</sup> \*\*\*

Figure I-1 presents the quantity of U.S. imports of NMPF, by source, from 1999 to 2012.

**Figure I-1**  
**Non-malleable cast iron pipe fittings: U.S. imports, by source, 1999-2012**



Source: *Non-Malleable Cast Iron Pipe Fittings From China Investigation No. 731-TA-990 (Review)*, USITC Publication 4023, July 2008; and Compiled from official Commerce statistics, HTS statistical reporting numbers 7307.11.0030 and 7307.11.0060.

Data for U.S. imports by subject and nonsubject<sup>60</sup> sources from 2008-12 are presented in table I-6. Although the quantity of NMPF imports from China has decreased since 2008, the share of total U.S. imports of NMPF accounted for by NMPF imports from China has increased from 58.8 percent in 2008 to 72.4 percent in 2012. The unit value of these imports has steadily increased from \$1,675 per short ton in 2008 to \$2,270 per short ton in 2012, an increase of 35 percent.

<sup>58</sup> Response of domestic interested parties, July 31, 2013, exh. 8.

<sup>59</sup> 68 FR 16765, April 7, 2003; 72 FR 38563, July 13, 2007; and 77 FR 31578, May 29, 2013.

<sup>60</sup> The leading nonsubject sources of U.S. imports are India, Canada, Japan, Mexico, Austria, and Germany.

**Table I-6**  
**Non-malleable cast iron pipe fittings: U.S. imports by subject and nonsubject sources, 2008-12<sup>1</sup>**

Source	Calendar years				
	2008	2009	2010	2011	2012
<b>Quantity (short tons)</b>					
China	7,430	5,052	5,685	5,903	6,838
Nonsubject imports	5,202	3,206	2,067	2,760	2,606
Total	12,632	8,258	7,751	8,663	9,444
<b>Value (1,000 dollars)</b>					
China	12,443	8,467	9,956	11,508	15,521
Nonsubject imports	16,741	10,180	8,189	10,962	11,306
Total	29,183	18,647	18,146	22,470	26,827
<b>Average unit value (dollars per short ton)</b>					
China	1,675	1,676	1,751	1,949	2,270
Nonsubject imports	3,218	3,175	3,963	3,972	4,338
Average	2,310	2,258	2,341	2,594	2,841
<b>Share of quantity (percent)</b>					
China	58.8	61.2	73.3	68.1	72.4
Nonsubject imports	41.2	38.8	26.7	31.9	27.6
Total	100.0	100.0	100.0	100.0	100.0
<b>Share of value (percent)</b>					
China	42.6	45.4	54.9	51.2	57.9
Nonsubject imports	57.4	54.6	45.1	48.8	42.1
Total	100.0	100.0	100.0	100.0	100.0

<sup>1</sup> The quantity of U.S. imports from China under HTS reporting number 7307.19.3060 are as follows:

China	2,671	2,026	2,996	4,996	4,561
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Note. -- The largest nonsubject sources and their respective shares of the total quantity of non-malleable cast iron pipe fittings imported during 2012 include the following: India (12.0 percent), Canada (3.3 percent), Japan (2.7 percent), Mexico (2.6 percent), Austria (2.0 percent), and Germany (1.9 percent).

Source: Compiled from official Commerce statistics, HTS statistical reporting numbers 7307.11.0030 and 7307.11.0060.

### Ratio of imports to U.S. production

Table I-7 presents the ratio of U.S. imports to U.S. production of NMPF. The ratio of U.S. imports from China to U.S. production increased from \*\*\* percent in 2001 to \*\*\* in 2007 \*\*\*. The ratio of U.S. imports from nonsubject countries to U.S. production also increased from \*\*\* percent in 2001 to \*\*\* in 2007, then decreased to \*\*\* in 2012. The ratio of total imports to U.S. production increased from \*\*\* percent in 2001 to \*\*\* percent in 2007. \*\*\*.

**Table I-7**  
**Non-malleable cast iron pipe fittings: ratio of imports to U.S. production (percent), 1999- 2001, 2007, and 2012**

\* \* \* \* \*

## Apparent U.S. consumption and market shares

In their response to the Commission's notice of institution for this review, the domestic interested parties indicated that competitive conditions in the domestic industry have not changed significantly since either the original investigation or the first review.<sup>61</sup> Data on U.S. producers' U.S. shipments, U.S. shipments of imports, and apparent U.S. consumption are presented in table I-8.

**Table I-8**  
**Non-malleable cast iron pipe fittings: U.S. producers' U.S. shipments, U.S. shipments of imports, and apparent U.S. consumption, 1999-2001, 2007, and 2012**

Item	1999	2000	2001	2007	2012
<b>Quantity (short tons)</b>					
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. shipments of imports from:					
China	5,469	6,221	6,432	12,832 <sup>1</sup>	6,838 <sup>1</sup>
Other sources	***	***	***	5,340 <sup>1</sup>	2,606 <sup>1</sup>
Total import shipments	***	***	***	18,171 <sup>1</sup>	9,444 <sup>1</sup>
Apparent U.S. consumption	***	***	***	***	***
<b>Value (1,000 dollars)</b>					
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. shipments of imports from:					
China	6,828	7,630	7,575	15,538 <sup>1</sup>	15,521 <sup>1</sup>
Other sources	***	***	***	14,532 <sup>1</sup>	11,306 <sup>1</sup>
Total import shipments	***	***	***	30,070 <sup>1</sup>	26,827 <sup>1</sup>
Apparent U.S. consumption	***	***	***	***	***
<b>Share of consumption based on quantity (percent)</b>					
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. shipments of imports from:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total import shipments	***	***	***	***	***
Apparent U.S. consumption	100.0	100.0	100.0	100.0	100.0
<b>Share of consumption based on value (percent)</b>					
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. shipments of imports from:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total import shipments	***	***	***	***	***
Apparent U.S. consumption	100.0	100.0	100.0	100.0	100.0

<sup>1</sup> Data for U.S. imports are presented for 2007 and 2012 because data for U.S. shipments of imports are not available for those years.

<sup>2</sup> Apparent U.S. consumption presented for 2007 and 2012 may be understated by the amount of U.S. imports of NMPF entering the United States under HTS statistical reporting numbers other than 7307.11.0030 and 7307.11.0060.

Source: *Staff Report to the Commission on Investigation No. 731-TA-990 (Review)*, June 26, 2008 (INV-FF-073), tables I-10 for 1999-2001 and 2007; *Response of domestic interested parties*, July 31, 2013, exh. 7 for 2012 U.S. producers' U.S. shipments; and 2012 import data compiled from official Commerce statistics, HTS statistical reporting numbers 7307.11.0030 and 7307.11.0060.

<sup>61</sup> *Response of domestic interested parties*, July 31, 2013, p. 4.

## THE INDUSTRY IN CHINA

### Background

In the original investigation, five producers of NMPF in China provided data on their operations.<sup>62</sup> The exports of these five firms were estimated to account for \*\*\* percent of reported U.S. imports of the subject Chinese merchandise during 2001.<sup>63</sup> During the first five-year review, the domestic interested parties identified five producers of NMPF in China.<sup>64</sup> In response to the Commission's notice of institution in this second five-year review, the domestic industry identified 13 known producers of NMPF in China.<sup>65</sup> According to *Global Trade Atlas* data, China exported 245,485 short tons of NMPF during 2007 and 269,552 short tons of NMPF during 2012, almost half of which were destined for the United States.<sup>66</sup>

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<sup>62</sup> The Chinese producers responded to the preliminary phase questionnaires and not the final phase questionnaires.

<sup>63</sup> These five firms were Beijing JDH Metal Products, Ltd. ("LDH"); GMS Pipe Fittings Industries, Inc. ("GMS"); JMC; Linyi Luozhuang Tongli Casting Steel Foundry; and Shanghai Padong Malleable Iron Plant. Only one Chinese producer/exporter (JDH) provided a response to the Commission's questionnaire in the final phase of the investigation. Therefore, data received in the preliminary phase of the investigation were presented in the Commission's final phase staff report. *Staff Report on Non-Malleable Cast Iron Pipe Fittings From China, Investigation No. 731-TA-990 (Final)*, February 27, 2003 (INV-AA-022), p. VII-1

<sup>64</sup> The five producers were Eathu Casting & Forging Co., Ltd.; GMS; Shen Tang Metalcast Co., Ltd.; JMC; and Shanghai Foreign Trade Enterprises Co., Ltd. *Non-Malleable Cast Iron Pipe Fittings From China Investigation No. 73 -TA-990 (Review)*, USITC Publication 4023, July 2008, p. I-39.

<sup>65</sup> The Chinese producers listed by the domestic interested parties are: Chongzhou Minjiang Plastic Co., Ltd.; Eathu Casting & Forging Co., Ltd.; GMS Pipe Fittings Industries, Inc.; Jinan Meide Casting Co., Ltd.; Jincheng City Jianniu Metallurgy & Casting Co., Ltd.; Jingmen Zhengyuan Guanghua Pipe Co., Ltd.; Nanjing Fengshengshuiqi Water Pipeline Co., Ltd.; Shanghai Foreign Trade Enterprises Co., Ltd.; Shanghai Pudong Malleable Iron Plant; Shen Yang Metalcast Co., Ltd.; Suns Pipeline Co., Ltd.; Tianshengyuan Casting Factory; and Qian Xiang Machinery Co., Ltd.; *Response of domestic interested parties*, July 31, 2013, exh. 9.

<sup>66</sup> *Global Trade Atlas* data also include nonsubject merchandise, such as cast iron soil pipe fittings. According to official import statistics for HTS statistical reporting numbers 7307.11.0030 and 7307.11.0060 combined, U.S. imports of pipe fittings from China during 2012 amounted to 6,838 short tons. If HTS item 7307.19.3060 is also included, the total U.S. imports from China during 2012 would amount to 11,399 short tons. The domestic interested parties indicated in their response to the Commission's notice of institution for the first review that all U.S. imports entering under HTS items 7307.11.0030 and 7307.11.0060 are subject merchandise, "most" U.S. imports entering the United States under HTS item 7307.19.3060 are subject merchandise, and "a portion" of U.S. imports entering under HTS item 7307.19.3085 are subject imports. In their response to the Commission's notice of institution for this review, the domestic interested parties indicated that \*\*\*.

## Chinese exports

*Global Trade Atlas* statistics concerning exports of NMPF (HTS subheading 7307.11) from China for 2008-12 are presented in table I-9.<sup>67</sup> These data show that the quantity of China's total NMPF exports increased by 34 percent between 2008 and 2012; and the value of these exports increased by 60 percent. The largest export market for Chinese NMPF during 2008-12 was the United States.

## Antidumping actions outside the United States

There are no trade remedy orders on NMPF from China in a third country market. The European Union imposed an antidumping duty order on imports of threaded tube or pipe cast fittings, of malleable cast iron, originating in China and Thailand in May of 2013.<sup>68</sup> The domestic interested parties argued that this order "will provide even more incentive for Chinese producers to move away from producing malleable fittings and instead produce non-malleable fittings for exports to the United States if the order is not continued."<sup>69</sup>

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<sup>67</sup> Global Trade Atlas data also include nonsubject merchandise, such as cast iron soil pipe fittings.

<sup>68</sup> COUNCIL IMPLEMENTING REGULATION (EU) No 430/2013, Official Journal of the European Union Publication, May 2013, pp. L129/1 - L129/11.

<sup>69</sup> *Response* of domestic interested parties, July 31, 2013, p. 18.

**Table I-9**  
**Non-malleable cast iron pipe fittings: China's export shipments, by export market, 2008-12**

Export market	Calendar years				
	2008	2009	2010	2011	2012
<b>Quantity (short tons)</b>					
United States	87,929	66,529	88,356	93,589	113,314
Japan	7,633	6,285	8,807	9,768	11,391
Germany	5,328	4,640	5,671	7,345	9,370
Hong Kong	6,689	5,678	7,841	8,788	9,337
Canada	6,402	5,900	8,375	7,459	8,962
Taiwan	4,823	6,700	8,825	7,065	7,951
United Kingdom	6,692	5,736	7,465	7,905	7,716
Saudi Arabia	2,398	3,194	4,280	7,681	6,960
Spain	12,648	7,997	7,028	6,457	6,720
Singapore	6,054	3,685	6,351	6,622	6,284
All others	54,465	48,454	65,219	78,183	81,545
World	201,061	164,797	218,218	240,861	269,552
<b>Value (1,000 dollars)<sup>1</sup></b>					
United States	123,625	95,953	127,746	152,076	191,979
Japan	12,182	10,484	15,134	19,307	26,067
Germany	9,949	7,198	9,253	13,656	17,312
Hong Kong	9,067	7,492	11,405	12,738	14,548
Canada	9,262	9,134	13,146	13,801	16,202
Taiwan	5,969	6,923	9,256	8,153	9,725
United Kingdom	11,228	8,761	12,526	14,087	14,354
Saudi Arabia	3,853	4,803	6,448	13,620	12,611
Spain	16,304	10,417	8,706	9,071	10,141
Singapore	7,779	5,752	8,207	9,690	10,414
All others	89,165	76,870	106,006	135,091	155,500
World	298,383	243,788	327,835	401,289	478,855

Continued on the following page.

Table I-9 – *Continued*

## Non-malleable cast iron pipe fittings: China's export shipments, by export market, 2008-12

Export market	Calendar years				
	2008	2009	2010	2011	2012
<b>Average unit value (dollars per short ton)</b>					
United States	1,406	1,442	1,446	1,625	1,694
Japan	1,596	1,668	1,718	1,977	2,288
Germany	1,867	1,551	1,632	1,859	1,848
Hong Kong	1,355	1,319	1,455	1,450	1,558
Canada	1,447	1,548	1,570	1,850	1,808
Taiwan	1,237	1,033	1,049	1,154	1,223
United Kingdom	1,678	1,528	1,678	1,782	1,860
Saudi Arabia	1,607	1,504	1,507	1,773	1,812
Spain	1,289	1,303	1,239	1,405	1,509
Singapore	1,285	1,561	1,292	1,463	1,657
All other	1,637	1,586	1,625	1,728	1,907
Average	1,484	1,479	1,502	1,666	1,776
<b>Share of quantity (percent)</b>					
United States	43.7	40.4	40.5	38.9	42.0
Japan	3.8	3.8	4.0	4.1	4.2
Germany	2.7	2.8	2.6	3.0	3.5
Hong Kong	3.3	3.4	3.6	3.6	3.5
Canada	3.2	3.6	3.8	3.1	3.3
Taiwan	2.4	4.1	4.0	2.9	2.9
United Kingdom	3.3	3.5	3.4	3.3	2.9
Saudi Arabia	1.2	1.9	2.0	3.2	2.6
Spain	6.3	4.9	3.2	2.7	2.5
Singapore	3.0	2.2	2.9	2.7	2.3
All others	27.1	29.4	29.9	32.5	30.3
Total	100.0	100.0	100.0	100.0	100.0

Continued on the following page.

**Table I-9 – Continued****Non-malleable cast iron pipe fittings: China's export shipments, by export market, 2008-12**

Export market	Calendar years				
	2008	2009	2010	2011	2012
	<b>Share of value (percent)</b>				
United States	41.4	39.4	39.0	37.9	40.1
Japan	4.1	4.3	4.6	4.8	5.4
Germany	3.3	3.0	2.8	3.4	3.6
Hong Kong	3.0	3.1	3.5	3.2	3.0
Canada	3.1	3.7	4.0	3.4	3.4
Taiwan	2.0	2.8	2.8	2.0	2.0
United Kingdom	3.8	3.6	3.8	3.5	3.0
Saudi Arabia	1.3	2.0	2.0	3.4	2.6
Spain	5.5	4.3	2.7	2.3	2.1
Singapore	2.6	2.4	2.5	2.4	2.2
All others	29.9	31.5	32.3	33.7	32.5
Total	100.0	100.0	100.0	100.0	100.0

<sup>1</sup> Landed, duty paid.

Source: Compiled from data obtained from the Global Trade Information Service, "Global Trade Atlas" for HTS subheading 7307.11 which includes not only the subject merchandise but also nonsubject merchandise such as cast iron soil pipe fittings.

### THE WORLD MARKET

The Commission reported in the original investigation that the United States is the primary market for NMPF.<sup>70</sup> Table I-10 presents data on the top global exporters of NMPF based on quantity, and table I-11 presents data on the top global exporters of NMPF based on value.

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<sup>70</sup> *Non-Malleable Cast Iron Pipe Fittings From China Investigation No. 731-TA-990 (Review)*, USITC Publication 4023, July 2008, p. I-25.

**Table I-10**  
**Non-malleable cast iron pipe fittings: Top 10 exporting countries based on quantity, 2008-12**

Exporter	Calendar years				
	2008	2009	2010	2011	2012
<b>Quantity (short tons)</b>					
China	201,061	164,797	218,218	240,861	269,552
India	25,923	19,745	17,696	24,361	23,251
Germany	19,963	14,627	13,723	18,283	17,526
Italy	16,284	12,325	12,740	10,737	11,060
Taiwan	105	60	203	4,866	8,671
United States	14,018	12,552	14,643	10,814	8,501
United Kingdom	10,273	7,751	8,569	7,691	6,496
Mexico	4,537	3,403	3,672	4,558	6,065
Brazil	11,623	6,224	7,644	7,305	5,605
France	8,006	3,687	6,441	4,439	4,595

Source: Compiled from data obtained from the Global Trade Information Service, "Global Trade Atlas" for HTS subheading 7307.11 which includes not only the subject merchandise but also nonsubject merchandise such as cast iron soil pipe fittings.

**Table I-11**  
**Non-malleable cast iron pipe fittings: Top 10 exporting countries based on value, 2008-12**

Exporter	Calendar years				
	2008	2009	2010	2011	2012
<b>Value (1,000 dollars)</b>					
China	298,383	243,788	327,835	401,289	478,855
Italy	166,478	122,357	149,847	138,842	128,399
United Kingdom	90,621	57,358	54,244	66,444	69,746
Germany	76,244	62,067	57,600	72,698	69,671
United States	73,296	72,861	76,329	67,377	51,823
India	35,243	22,114	23,392	34,904	39,961
Netherlands	68,025	49,151	53,985	40,020	33,209
Taiwan	729	292	585	12,959	27,427
Austria	25,749	13,833	23,409	28,999	25,536
France	30,024	15,878	20,500	19,012	23,550

Source: Compiled from data obtained from the Global Trade Information Service, "Global Trade Atlas" for HTS subheading 7307.11 which includes not only the subject merchandise but also nonsubject merchandise such as cast iron soil pipe fittings.