

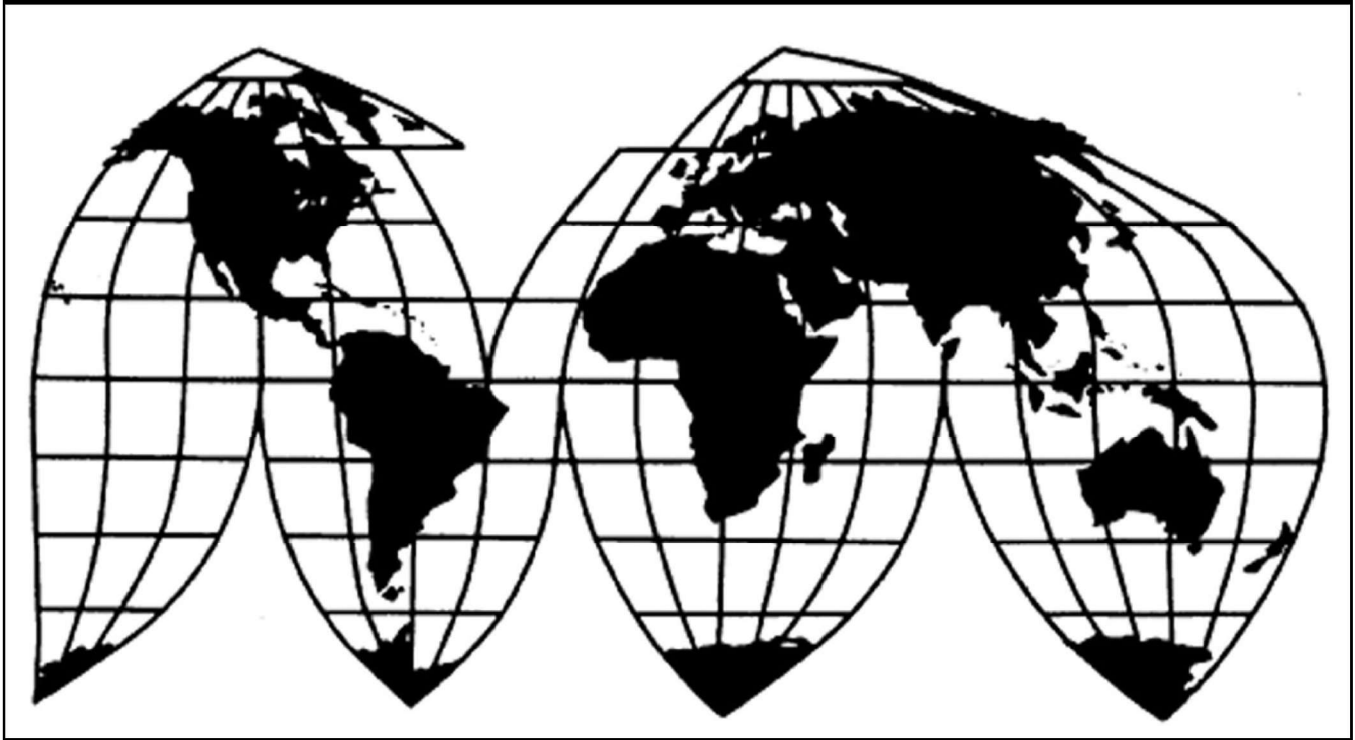
# Forged Steel Fittings from China, Italy, and Taiwan

Investigation Nos. 701-TA-589 and 731-TA-1394-1396 (Review)

Publication 5486

January 2024

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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## UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-589 and 731-TA-1394-1396 (Review)

Forged Steel Fittings from China, Italy, and Taiwan

### DETERMINATIONS

On the basis of the record<sup>1</sup> developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the countervailing duty order on forged steel fittings from China and the antidumping duty orders on forged steel fittings from China, Italy, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>2</sup>

### BACKGROUND

The Commission instituted these reviews on August 1, 2023 (88 FR 50172) and determined on November 6, 2023 that it would conduct expedited reviews (88 FR 84361, December 5, 2023).

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

<sup>2</sup> Commissioner Jason E. Kearns not participating.





## Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (the “Tariff Act”), that revocation of the antidumping duty orders on forged steel fittings (“FSF”) from China, Italy, and Taiwan and the countervailing duty order on FSF 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>1</sup>

### I. Background

*Original Investigations.* On October 5, 2017, Bonney Forge Corporation (“Bonney Forge”) and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (“USW”) filed antidumping duty petitions on imports of FSF from China, Italy, and Taiwan and a countervailing duty petition on imports of FSF from China.<sup>2</sup> On September 14, 2018, the Commission determined that an industry in the United States was materially injured by reason of imports of FSF from Taiwan sold at less than fair value (“LTFV”).<sup>3</sup> On September 24, 2018, Commerce issued an antidumping duty order on subject imports of FSF from Taiwan.<sup>4</sup> On November 19, 2018, the Commission determined that an industry in the United States was materially injured by reason of imports of FSF from Italy

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<sup>1</sup> Commissioner Jason E. Kearns did not participate.

<sup>2</sup> Confidential Report, INV-VV-090 at I-3 (“CR”); Public Report, *Forged Steel Fittings from China, Italy, and Taiwan*, Inv. Nos. 701-TA-589 & 731-TA-1394–1396 (Review), USITC Pub. 5486 (Jan. 2024) at I-3 (“PR”).

<sup>3</sup> *Forged Steel Fittings from Taiwan*, 83 Fed. Reg. 47640 (Sept. 20, 2018); see also *Forged Steel Fittings from Taiwan*, Inv. No. 731-TA-1396 (Final), USITC Pub. 4823 (Sept. 2018) (“*Original Investigations*”).

<sup>4</sup> *Forged Steel Fittings from Taiwan: Antidumping Duty Order*, 83 Fed. Reg. 48280 (Sept. 24, 2018).

sold at LTFV and FSF from China sold at LTFV and subsidized by the government of China.<sup>5</sup> On November 26, 2018, Commerce issued antidumping duty orders on subject imports of FSF from China and Italy and a countervailing duty order on subject imports of FSF from China.<sup>6</sup>

*Current Reviews.* On August 1, 2023, the Commission instituted these five-year reviews of the antidumping duty orders on FSF from China, Italy, and Taiwan and the countervailing duty order on FSF from China.<sup>7</sup> The Commission received a joint response to the notice of institution from Bonney Forge and Phoenix Forge Group d/b/a Capitol Manufacturing Company, LLC (“Capitol Manufacturing”), domestic producers of FSF, and USW, a certified labor union whose members include workers at facilities that produce FSF (collectively, “Domestic Interested Parties”).<sup>8</sup> The Commission did not receive a response from any respondent

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<sup>5</sup> *Forged Steel Fittings from China and Italy*, 83 Fed. Reg. 60445 (Nov. 26, 2018); see also *Forged Steel Fittings from China and Italy*, Inv. Nos. 701-TA-589 & 731-TA-1394–1395 (Final), USITC Pub. 4850 (Nov. 2018). The original investigation schedules became staggered when Commerce did not postpone its final antidumping duty determination regarding Taiwan, despite postponing the other final determinations. *Forged Steel Fittings from China and Italy*, USITC Pub. 4850 at 3. The record before the Commission for the China and Italy decisions was the same as the record supporting the Taiwan decision, except the China and Italy record included the final Commerce antidumping and countervailing duty determinations for those countries and the parties’ final comments regarding those determinations. *Id.* at 4. The Commission therefore adopted its findings and reasoning from the Taiwan determination and concluded that the domestic industry was materially injured by subject imports from China and Italy sold in the United States at LTFV and subsidized by the government of China. *Id.* at 4–5.

<sup>6</sup> *Forged Steel Fittings from Italy and the People’s Republic of China: Antidumping Duty Orders*, 83 Fed. Reg. 60397 (Nov. 26, 2018); *Forged Steel Fittings from the People’s Republic of China: Countervailing Duty Order*, 83 Fed. Reg. 60396 (Nov. 26, 2018).

<sup>7</sup> *Forged Steel Fittings from China, Italy, and Taiwan; Institution of Five-Year Reviews*, 88 Fed. Reg. 50172 (Aug. 1, 2023).

<sup>8</sup> *Domestic Interested Parties’ Response to Institution of Five-Year Reviews*, EDIS Doc. 803649 (Aug. 31, 2023) (“*Domestic Response*”); see also *Response to Question from Investigator for Phoenix Forge Group d/b/a Capitol Manufacturing Company, LLC*, EDIS Doc. 804568 (Sept. 20, 2023) (“*Domestic 1st Suppl. Resp.*”); *Response to Question from Investigator for Phoenix Forge Group d/b/a Capitol Manufacturing Company, LLC*, EDIS Doc. 807574 (Nov. 1, 2023) (“*Domestic 2d Suppl. Resp.*”).

interested party.<sup>9</sup> On November 6, 2023, the Commission found the domestic interested party group response to be adequate and the respondent interested party group response to be inadequate.<sup>10</sup> Finding no other circumstances that would warrant conducting full reviews, the Commission determined that it would conduct expedited reviews of the orders.<sup>11</sup> Domestic Interested Parties jointly submitted final comments pursuant to 19 C.F.R. § 207.62(d)(1) regarding the determinations that the Commission should reach.<sup>12</sup>

U.S. industry data in these reviews are based on information provided by Domestic Interested Parties, which are estimated to have collectively accounted for \*\*\* percent of U.S. production of FSF in 2022,<sup>13</sup> in their response to the notice of institution and publicly available information compiled by the Commission.<sup>14</sup> U.S. import data are based on official Commerce statistics.<sup>15</sup> Foreign industry data and related information are based on information from the original investigations, information submitted by Domestic Interested Parties in their response to the notice of institution, and publicly available information compiled by the Commission.<sup>16</sup>

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<sup>9</sup> *Explanation of Commission Determination on Adequacy*, EDIS Doc. 808463 (Nov. 14, 2023).

<sup>10</sup> *Explanation of Commission Determination on Adequacy*, EDIS Doc. 808463 (Nov. 14, 2023).

<sup>11</sup> *Explanation of Commission Determination on Adequacy*, EDIS Doc. 808463 (Nov. 14, 2023); *accord Forged Steel Fittings from China, Italy, and Taiwan; Scheduling of Expedited Five-Year Reviews*, 88 Fed. Reg. 84361 (Dec. 5, 2023).

<sup>12</sup> *Forged Steel Fittings from China, Italy, and Taiwan: Final Comments in Five-Year Review*, EDIS Doc. 811457 (Jan. 4, 2024) (“*Domestic Final Comments*”).

<sup>13</sup> CR/PR at I-13 to I-14, Table I-2.

<sup>14</sup> CR/PR at I-13 to I-14.

<sup>15</sup> CR/PR at I-16 to I-20 & Tables I-6, I-7. Import data are compiled from official Commerce statistics under HTS statistical reporting numbers 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060. *Id.* Because these HTS statistical reporting numbers may include out-of-scope products, the import data may be overstated. *Id.* at Note.

<sup>16</sup> CR/PR at I-21 to I-28 & Tables I-8 to I-11. Note that Tables I-8 through I-11 may contain products outside of the scope of these reviews.

Additionally, three firms, \*\*\*, identified by Domestic Interested Parties as U.S. purchasers of FSF, responded to the Commission’s adequacy phase questionnaires.<sup>17</sup>

## II. Domestic Like Product and Industry

### A. 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>18</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>19</sup> The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.<sup>20</sup>

Commerce has defined the imported merchandise within the scope of the countervailing and antidumping duty orders under review as follows:

carbon and alloy forged steel fittings, whether unfinished (commonly known as blanks or rough forgings) or finished. Such fittings are made in a variety of shapes including, but not limited to, elbows, tees, crosses, laterals, couplings, reducers, caps, plugs, bushings, unions, and outlets. Forged steel fittings are

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<sup>17</sup> CR/PR at D-3.

<sup>18</sup> 19 U.S.C. § 1677(4)(A).

<sup>19</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, 96th Cong., 1st Sess. 90–91 (1979).

<sup>20</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 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

covered regardless of end finish, whether threaded, socket-weld or other end connections.

While these fittings are generally manufactured to specifications ASME B16.11, MSS SP-79, MSS SP-83, MSS SP-97, ASTM A105, ASTM A350, and ASTM A182, the scope is not limited to fittings made to these specifications.

The term forged is an industry term used to describe a class of products included in applicable standards, and does not reference an exclusive manufacturing process. Forged steel fittings are not manufactured from casting. Pursuant to the applicable specifications, subject fittings may also be machined from bar stock or machined from seamless pipe and tube.

All types of fittings are included in the scope regardless of nominal pipe size (which may or may not be expressed in inches of nominal pipe size), pressure rating (usually, but not necessarily expressed in pounds of pressure/PSI, *e.g.*, 2,000 or 2M; 3,000 or 3M; 6,000 or 6M; 9,000 or 9M), wall thickness, and whether or not heat treated.

Excluded from this scope are all fittings entirely made of stainless steel. Also excluded are flanges, butt weld fittings, butt weld outlets, nipples, and all fittings that have a maximum pressure rating of 300 pounds of pressure/PSI or less.

Also excluded are fittings certified or made to the following standards, so long as the fittings are not also manufactured to the specifications of ASME B16.11, MSS SP-79, MSS SP-83, MSS SP-97, ASTM A105, ASTM A350, and ASTM A182:

- American Petroleum Institute (API) 5CT, API 5L, or API 11B
- Society of Automotive Engineering (SAE) J476, SAE J514, SAE J516, SAE J517, SAE J518, SAE J1026, SAE J1231, SAE J1453, SAE J1926, J2044 or SAE AS 35411
- Underwriter's Laboratories (UL) certified electrical conduit fittings
- ASTM A153, A536, A576, or A865
- Casing Conductor Connectors 16–42 inches in diameter made to proprietary specifications
- Military Specification (MIL) MIL-C-4109F and MIL-F-3541
- International Organization for Standardization (ISO) ISO 6150-B

To be excluded from the scope, products must have the appropriate standard or pressure markings and/or be accompanied by documentation showing product

compliance to the applicable standard or pressure, *e.g.*, “API 5CT” mark and/or a mill certification report.

Subject carbon and alloy forged steel fittings are normally entered under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060. They also may be entered under HTSUS subheadings 7307.92.3010, 7307.92.3030, 7307.92.9000, and 7326.19.0010. The HTSUS subheadings and specifications are provided for convenience and customs purposes; the written description of the scope is dispositive.<sup>21</sup>

The scope of the orders under review is the same as in the original investigations.<sup>22</sup>

FSF are used in piping systems for oil and gas exploration and production, in chemical and petrochemical plants, electric power-generating plants, and industrial piping systems for distributing liquids and gases under high pressure or liquids and gases that are corrosive in nature. Fittings connect the pipes that are made to withstand the higher pressures in such systems, and the fittings themselves must also be able to withstand such pressures. The forging process produces steel pieces that are stronger than an equivalent cast or machined part; they have an approximately 20 percent higher strength-to-weight ratio compared to cast or machined parts of the same material.<sup>23</sup>

Typically, FSF are produced from steel that meet ASTM international standard A105 or similar standards. The manufacturing process for FSF generally begins with impression-die forging in which a heated piece of steel bar is placed in a die resembling a mold, and then a

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<sup>21</sup> U.S. Dept. of Commerce, *Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Reviews of the Antidumping Duty Orders on Forged Steel Fittings from the People’s Republic of China, Taiwan, and Italy* at 2–3 (Nov. 27, 2023); U.S. Dept. of Commerce, *Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Review of the Countervailing Duty Order on Forged Steel Fittings from China* at 2–3 (Nov. 27, 2023).

<sup>22</sup> See *Original Investigations*, USITC Pub. 4823 at 6–7.

<sup>23</sup> CR/PR at I-7, I-11.

hammer die is dropped onto the steel piece, causing the metal to flow and fill the die shapes. Normalizing is a type of heat treatment that imparts additional toughness to the fitting.<sup>24</sup>

After the forging process, the products are finished at machining and assembly shops. Finishing involves shaping the steel (including turning, boring, milling, drilling, grinding, and polishing) through the use of metal-removal equipment, along with welding machines. A range of coatings may be applied to protect the performance properties of the products. Most FSF are forged, but fittings that do not have a bend in their shape are machined directly from a steel bar or a seamless steel pipe.<sup>25</sup>

In the original investigations, the Commission distinguished FSF from equivalent cast or machined parts and other kinds of fittings such as butt-weld fittings or flanges, applying its traditional six-factor like product analysis, and defined a single domestic like product consisting of FSF that was coextensive with Commerce's scope. It found that FSF were stronger than equivalent cast or machined parts, that they had limited interchangeability with other types of pipe fittings due to differences in their specifications, and that higher costs made it impractical to use FSF instead of other kinds of fittings, such as butt-weld fittings or flanges. The Commission also observed that manufacturing FSF required specialized equipment, and there were no overlaps between producers of butt-weld fittings and flanges and producers of FSF in the United States. Consequently, the Commission defined a single domestic like product consisting of FSF, coextensive with Commerce's scope of investigation.<sup>26</sup>

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<sup>24</sup> CR/PR at I-7, I-10; *Original Investigations*, USITC Pub. 4823 at 7.

<sup>25</sup> CR/PR at I-11 to I-12.

<sup>26</sup> *Original Investigations*, USITC Pub. 4823 at 7.

In the current reviews, the record does not contain any new information suggesting that the pertinent characteristics and uses of FSF have changed since the original investigations so as to warrant revisiting the Commission’s domestic like product definition. Domestic Interested Parties agree with the Commission’s definition of the domestic like product from the original investigations.<sup>27</sup> Consequently, we again define a single domestic like product consisting of FSF, coextensive with Commerce’s scope.

**B. 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>28</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.

These reviews raise two domestic industry issues. First, we must determine whether a firm’s finishing operations constitute sufficient production-related activities for the firm to qualify as a domestic producer. In deciding whether a firm qualifies as a domestic producer of the domestic like product, the Commission generally analyzes the overall nature of a firm’s U.S.

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<sup>27</sup> *Domestic Response* at 20–21.

<sup>28</sup> 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable 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.



production-related activities, although production-related activity at minimum levels could be insufficient to constitute domestic production.<sup>29</sup>

We also must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise, or which are themselves importers.<sup>30</sup> Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.<sup>31</sup>

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<sup>29</sup> The Commission generally considers six factors: (1) source and extent of the firm's capital investment; (2) technical expertise involved in U.S. production activities; (3) value added to the product in the United States; (4) employment levels; (5) quantity and type of parts sourced in the United States; and (6) any other costs and activities in the United States directly leading to production of the like product. No single factor is determinative, and the Commission may consider any other factors it deems relevant in light of the specific facts of any investigation. *Crystalline Silicon Photovoltaic Cells and Modules from China*, Inv. Nos. 701-TA-481 and 731-TA-1190 (Final), USITC Pub. 4360 at 12–13 (Nov. 2012).

<sup>30</sup> See *Torrington Co v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd without opinion*, 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>31</sup> The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

- (1) the percentage of domestic production attributable to the importing producer;
- (2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);
- (3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;
- (4) the ratio of import shipments to U.S. production for the imported product;  
and

(Continued...)

In the original investigations, the Commission determined that Anvil International, Inc. (“Anvil”), the sole known firm engaged in finishing-only operations of rough forgings, engaged in sufficient production-related activities to qualify as a domestic producer.<sup>32</sup> The Commission also determined that Anvil qualified for possible exclusion under 19 U.S.C. § 1677(4)(B) because it imported subject merchandise during the period of investigation, and concluded that appropriate circumstances existed for its exclusion because Anvil’s principal interest was importation of subject merchandise rather than domestic production.<sup>33</sup> The Commission therefore defined the domestic industry as all U.S. producers of the domestic like product except Anvil.<sup>34</sup>

Domestic Interested Parties agree with the Commission’s definition of the domestic industry from the original investigations.<sup>35</sup> None of the Domestic Interested Parties were importers of subject merchandise during the period of review or related to any U.S. importer or foreign producer and exporter of subject merchandise.<sup>36</sup> Domestic Interested Parties argue, however, that Anvil continues to finish imported forgings into FSF in the United States, after

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(...Continued)

(5) whether the primary interest of the importing producer lies in domestic production or importation.

*Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp. 3d 1314, 1326–31 (Ct. Int’l. Trade 2015), *aff’d*, 879 F.3d 1377 (Fed. Cir. 2018); *see also Torrington Co.*, 790 F. Supp. at 1168.

<sup>32</sup> *Original Investigations*, USITC Pub. 4823 at 8–9.

<sup>33</sup> *Original Investigations*, USITC Pub. 4823 at 10–11.

<sup>34</sup> *Original Investigations*, USITC Pub. 4823 at 11. Commissioner Meredith M. Broadbent did not exclude Anvil from the domestic industry as a related party. *See id.* at 11 n.45.

<sup>35</sup> *Domestic Response* at 20–21.

<sup>36</sup> *Domestic 2d Suppl. Resp.*, Revised Exhibit 1 at 4, 6; *see also Domestic Response* at 19.

having merged with Smith-Cooper International in 2020 to become ASC Engineered Solutions (“ASC”) in 2021.<sup>37</sup>

There is no information on the record indicating that the nature of Anvil’s (now operating as ASC) finishing operations has changed since the original investigations. Domestic Interested Parties state that they are “aware of no changes in the facts since the original investigations with respect to the nature of {ASC’s} operations.”<sup>38</sup> Accordingly, we find that ASC engages in sufficient production-related activities to qualify as a domestic producer.

Although Domestic Interested Parties indicate that ASC continues to import in-scope unfinished FSF for finishing in the United States, suggesting that ASC qualifies for possible exclusion under the related parties provision, there is no information on the record concerning either ASC’s possible imports of subject merchandise or its domestic production of finished FSF because ASC did not respond to the notice of institution. Consequently, we lack the information necessary to determine whether appropriate circumstances exist for ASC’s exclusion from the domestic industry, and there are no data concerning ASC’s domestic production operations on the record that could be excluded from domestic industry data. Accordingly, consistent with our definition of the domestic like product, we define the domestic industry as all domestic producers of FSF.

### **III. Cumulation**

#### **A. Legal Standard**

With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows:

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<sup>37</sup> *Domestic Response* at 18, 20–21, Exhibit 7.

<sup>38</sup> *Domestic Response* at 18; *see also* CR/PR at I-15 n.26.

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.<sup>39</sup>

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.<sup>40</sup> The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

The statutory threshold for cumulation is satisfied in these five-year reviews because all reviews were initiated on the same day, August 1, 2023.<sup>41</sup>

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<sup>39</sup> 19 U.S.C. § 1675a(a)(7).

<sup>40</sup> 19 U.S.C. § 1677(7)(G)(i); *see also, e.g., Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337–38 (Ct. Int'l Trade 2008).

<sup>41</sup> CR/PR at I-1; *Forged Steel Fittings from China, Italy, and Taiwan; Institution of Five-Year Reviews*, 88 Fed. Reg. 50172 (Aug. 1, 2023).

## B. Prior Proceedings and Party Arguments

*Original Investigations.* The Commission found that subject imports from China, Italy, and Taiwan were fungible with each other and with the domestic like product, that imports from each subject country and the domestic like product were sold in similar channels of distribution and in similar geographic markets, and they were all simultaneously present in the U.S. market throughout the period of investigation.<sup>42</sup> Accordingly, the Commission found a reasonable overlap of competition between and among the domestic like product and imports from each subject country and, therefore, considered the subject imports from all sources on a cumulated basis.<sup>43</sup>

*Current Reviews.* Domestic Interested Parties argue that the Commission should exercise its discretion to cumulate subject imports from all three countries in these reviews.<sup>44</sup> They assert that there is no basis to conclude that subject imports from any of the subject countries would be likely to have no discernible adverse impact on the domestic industry.<sup>45</sup> Further, Domestic Interested Parties contend that all subject imports are likely to compete with each other and the domestic like product if the orders are revoked.<sup>46</sup> They also maintain that the conditions underlying the Commission's cumulation determination in the original investigations continue to prevail.<sup>47</sup>

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<sup>42</sup> *Original Investigations*, USITC Pub. 4823 at 13–15.

<sup>43</sup> *Original Investigations*, USITC Pub. 4823 at 15.

<sup>44</sup> *Domestic Response* at 8–9; *Domestic Final Comments* at 4.

<sup>45</sup> *Domestic Response* at 9.

<sup>46</sup> *Domestic Response* at 9.

<sup>47</sup> *Domestic Response* at 9; *Domestic Final Comments* at 4.

### C. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.<sup>48</sup> Neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.<sup>49</sup> With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

Based on the record in these reviews, we do not find that imports from any of the subject countries would likely have no discernible adverse impact on the domestic industry in the event of revocation, for the reasons detailed below.

*China.* In the original investigations, subject imports from China decreased from \*\*\* short tons in 2015, accounting for \*\*\* percent of apparent U.S. consumption, to \*\*\* short tons in 2016, accounting for \*\*\* percent of apparent U.S. consumption, and then increased to \*\*\* short tons in 2017, accounting for \*\*\* percent of apparent U.S. consumption.<sup>50</sup> In the current

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<sup>48</sup> 19 U.S.C. § 1675a(a)(7).

<sup>49</sup> SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

<sup>50</sup> CR/PR at Table I-7. In the original investigations, subject and nonsubject import volumes, and consequently, apparent U.S. consumption, were calculated using U.S. importers’ U.S. shipments of imports, as reported in the questionnaire responses of 41 U.S. importers. *Original Investigations*, USITC Pub. 4823 at 3. As further noted below, subject and nonsubject import volumes, and consequently, (Continued...)

period of review, subject imports from China decreased from 29,670 short tons in 2018 to 20,574 short tons in 2019 and 11,037 short tons in 2020, but then increased to 17,067 short tons in 2021 and 18,130 short tons in 2022.<sup>51</sup> Subject imports from China accounted for approximately \*\*\* percent of apparent U.S. consumption in 2022.<sup>52</sup>

The record of the current reviews contains limited information concerning the FSF industry in China because no producer in China responded to the Commission's notice of institution.<sup>53</sup> In the original investigations, responding Chinese producers reported that in 2017, they had capacity of \*\*\* short tons, production of \*\*\* short tons, and a capacity utilization rate of \*\*\* percent, yielding excess capacity of \*\*\* short tons, and exported \*\*\* percent of their total shipments.<sup>54</sup> In these reviews, Domestic Interested Parties provided a list of 30 possible producers of FSF in China.<sup>55</sup> Domestic Interested Parties assert that Chinese producers of FSF likely have significant capacity and remain highly export-oriented, with the United States representing the top export market for Chinese producers of FSF in 2022.<sup>56</sup>

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(...Continued)

apparent U.S. consumption for 2022 are calculated using official import statistics that may contain out-of-scope products; consequently, subject and nonsubject import volume and apparent U.S. consumption for 2022 may be overstated.

<sup>51</sup> CR/PR at Table I-6; *accord Domestic Response*, Exhibit 2. Subject imports from China and their market share may be overstated because they are based on official import statistics that may contain out-of-scope products. CR/PR at Table I-6 Note, Table I-7 Note.

<sup>52</sup> CR/PR at Table I-7.

<sup>53</sup> CR/PR at I-2.

<sup>54</sup> *Original Investigations Confidential Report*, INV-QQ-093, EDIS Doc. 805135 at Table VII-3. In the original investigations, the Commission received responses from two Chinese producers accounting for approximately \*\*\* percent of FSF production in China in 2017 and approximately \*\*\* percent of U.S. imports of FSF from China that same year. CR/PR at I-21.

<sup>55</sup> *Domestic Response*, Exhibit 9.

<sup>56</sup> *Domestic Response* at 12–14; *accord* CR/PR at Table I-8. Note that Table I-8 may contain products outside the scope of these reviews.

Global Trade Atlas (“GTA”) data indicate that Chinese exports of other tube and pipe fittings of iron or steel under harmonized system (“HS”) subheading 7307.99, a category including FSF and out-of-scope products, were 213,394 short tons in 2022.<sup>57</sup> These data also indicate that the United States was the top destination market for exports of such merchandise from China throughout the period of review.<sup>58</sup>

In the original investigations, subject imports from China undersold the domestic like product in 27 of 52 quarterly comparisons, with an average margin of underselling of 6.3 percent.<sup>59</sup> No product-specific pricing data concerning subject imports from China were obtained in these expedited reviews.

In light of the foregoing, including the significant and increasing volume of subject imports from China in the original investigations, the continued presence of subject imports from China in the U.S. market while under the disciplining effect of the orders, the available information about the FSF industry in China, and the underselling by subject imports from China during the original investigations, we do not find that subject imports from China would likely have no discernible adverse impact on the domestic industry if the pertinent order were revoked.

*Italy.* In the original investigations, subject imports from Italy decreased from \*\*\* short tons in 2015, accounting for \*\*\* percent of apparent U.S. consumption, to \*\*\* short tons in 2016, accounting for \*\*\* percent of apparent U.S. consumption, and then increased to \*\*\*

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<sup>57</sup> CR/PR at Table I-8; *accord Domestic Response*, Exhibit 4.

<sup>58</sup> CR/PR at Table I-8.

<sup>59</sup> *Original Investigations*, USITC Pub. 4823 at Table V-8.



short tons in 2017, accounting for \*\*\* percent of apparent U.S. consumption.<sup>60</sup> In the current period of review, subject imports from Italy declined from 9,396 short tons in 2018 to 5,646 short tons in 2019, 2,274 short tons in 2020, 2,043 short tons in 2021, and 1,932 short tons in 2022.<sup>61</sup> Subject imports from Italy accounted for approximately \*\*\* percent of apparent U.S. consumption in 2022.<sup>62</sup>

The record of the current reviews contains limited information concerning the FSF industry in Italy because no producer in Italy responded to the Commission's notice of institution.<sup>63</sup> In the original investigations, responding Italian producers reported that in 2017, they had capacity of \*\*\* short tons, production of \*\*\* short tons, and a capacity utilization rate of \*\*\* percent, yielding excess capacity of \*\*\* short tons, and exported \*\*\* percent of their total shipments.<sup>64</sup> In these reviews, Domestic Interested Parties provided a list of six possible producers of FSF in Italy.<sup>65</sup> Domestic Interested Parties contend that Italian producers of FSF likely have significant capacity and remain highly export-oriented, with the United States representing the second largest export market for Italian producers of FSF in 2022.<sup>66</sup>

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<sup>60</sup> CR/PR at Table I-7.

<sup>61</sup> CR/PR at Table I-6; *accord Domestic Response*, Exhibit 2. Subject imports from Italy and their market share may be overstated because they are based on official import statistics that may contain out-of-scope products. CR/PR at Table I-6 Note, Table I-7 Note.

<sup>62</sup> CR/PR at Table I-7.

<sup>63</sup> CR/PR at I-2.

<sup>64</sup> *Original Investigations Confidential Report* at Table VII-7. In the original investigations, the Commission received responses from four Italian producers accounting for the vast majority of FSF production in Italy in 2017 and approximately \*\*\* percent of U.S. imports of FSF from Italy that same year. CR/PR at I-23.

<sup>65</sup> *Domestic Response*, Exhibit 9; *accord* CR/PR at I-23.

<sup>66</sup> *Domestic Response* at 12–14; *accord* CR/PR at Table I-9. Note that Table I-9 may contain products outside the scope of these reviews.

GTA data indicate that Italian exports of other tube and pipe fittings of iron or steel under HS subheading 7307.99, a category including FSF and out-of-scope products, were 48,931 short tons in 2022.<sup>67</sup> These data also indicate that the United States was one of the top four destination markets for exports of such merchandise from Italy throughout the period of review.<sup>68</sup>

In the original investigations, subject imports from Italy undersold the domestic like product in 39 of 52 quarterly comparisons, with an average margin of underselling of 10.1 percent.<sup>69</sup> No product-specific pricing data concerning FSF from Italy were obtained in these expedited reviews.

In light of the foregoing, including the significant volume of subject imports from Italy in the original investigations, the continued presence of subject imports from Italy in the U.S. market while under the disciplining effect of the orders, the available information about the FSF industry in Italy, and the underselling by subject imports from Italy during the original investigations, we do not find that subject imports from Italy would likely have no discernible adverse impact on the domestic industry if the pertinent orders were revoked.

*Taiwan.* In the original investigations, subject imports from Taiwan decreased from \*\*\* short tons in 2015, accounting for \*\*\* percent of apparent U.S. consumption, to \*\*\* short tons in 2016, accounting for \*\*\* percent of apparent U.S. consumption, and then increased to \*\*\*

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<sup>67</sup> CR/PR at Table I-9; *accord Domestic Response*, Exhibit 4.

<sup>68</sup> CR/PR at Table I-9.

<sup>69</sup> *Original Investigations*, USITC Pub. 4823 at Table V-8.

short tons in 2017, accounting for \*\*\* percent of apparent U.S. consumption.<sup>70</sup> In the current period of review, subject imports from Taiwan were 1,442 short tons in 2018, 1,490 short tons in 2019, 1,311 short tons in 2020, 1,698 short tons in 2021, and 1,940 short tons in 2022.<sup>71</sup> Subject imports from Taiwan accounted for approximately \*\*\* percent of apparent U.S. consumption in 2022.<sup>72</sup>

The record of the current reviews contains limited information concerning the FSF industry in Taiwan because no producer in Taiwan responded to the notice of institution.<sup>73</sup> In the original investigations, responding Taiwan producers reported that in 2017, they had capacity of \*\*\* short tons, production of \*\*\* short tons, a capacity utilization rate of \*\*\* percent, and exported \*\*\* percent of their total shipments.<sup>74</sup> In these reviews, Domestic Interested Parties provided a list of four possible producers of FSF in Taiwan.<sup>75</sup> Domestic Interested Parties contend that Taiwan producers of FSF likely have significant capacity and remain highly export-oriented, with the United States representing the top export market for Taiwan producers of FSF in 2022.<sup>76</sup>

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<sup>70</sup> CR/PR at Table I-7.

<sup>71</sup> CR/PR at Table I-6; *accord Domestic Response*, Exhibit 2. Subject imports from Taiwan and their market share may be overstated because they are based on official import statistics that may contain out-of-scope products. CR/PR at Table I-6 Note, Table I-7 Note.

<sup>72</sup> CR/PR at Table I-7.

<sup>73</sup> CR/PR at I-2.

<sup>74</sup> *Original Investigations Confidential Report* at Table VII-12. In the original investigations, the Commission received responses from three Taiwan producers accounting for approximately all FSF production in Taiwan in 2017 and virtually all reported U.S. imports of FSF from Taiwan that same year. CR/PR at I-25.

<sup>75</sup> *Domestic Response*, Exhibit 9; *accord* CR/PR at I-25.

<sup>76</sup> *Domestic Response* at 12–14; *accord* CR/PR at Table I-10. Note that Table I-10 may contain products outside the scope of these reviews.

GTA data indicate that Taiwan’s exports of other tube and pipe fittings of iron or steel under HS subheading 7307.99, a category including FSF and out-of-scope products, were 11,781 short tons in 2022.<sup>77</sup> These data also indicate that the United States was the top destination market for exports of such merchandise from Taiwan throughout the period of review.<sup>78</sup>

In the original investigations, subject imports from Taiwan undersold the domestic like product in 50 of 52 quarterly comparisons, with an average margin of underselling of 19.7 percent.<sup>79</sup> No product-specific pricing data concerning FSF from Taiwan were obtained in these expedited reviews.

In light of the foregoing, including the significant volume of subject imports from Taiwan in the original investigations, the continued presence of subject imports from Taiwan in the U.S. market while under the disciplining effect of the orders, the available information about the FSF industry in Taiwan, and the underselling by subject imports from Taiwan during the original investigations, we do not find that subject imports from Taiwan would likely have no discernible adverse impact on the domestic industry if the pertinent orders were revoked.

#### **D. Likelihood of a Reasonable Overlap of Competition**

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.<sup>80</sup> Only a “reasonable overlap” of competition is required.<sup>81</sup> In five-year reviews, the

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<sup>77</sup> CR/PR at Table I-10; *accord Domestic Response*, Exhibit 4.

<sup>78</sup> CR/PR at Table I-10.

<sup>79</sup> *Original Investigations*, USITC Pub. 4823 at Table V-8.

<sup>80</sup> The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like (Continued...)

relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.<sup>82</sup>

*Fungibility.* In the original investigations, all U.S. producers, a plurality of importers, and the majority of U.S. purchasers reported that FSF from each subject country and the domestic like product were always interchangeable.<sup>83</sup> The Commission observed that FSF regardless of source is produced in accordance with Manufacturer's Standardization Society ("MSS") and ASTM specifications, as well as American Society of Mechanical Engineers ("ASME") design standards.<sup>84</sup> The Commission noted that domestically produced FSF and subject imports from each source were generally comparable across a broad range of factors considered in purchasing decisions.<sup>85</sup> The Commission rejected the respondents' argument that subject

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(...Continued)

product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. *See, e.g., Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

<sup>81</sup> *See Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int'l Trade 1996); *Wieland Werke*, 718 F. Supp. at 52 ("Completely overlapping markets are not required."); *United States Steel Group v. United States*, 873 F. Supp. 673, 685 (Ct. Int'l Trade 1994), *aff'd*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. *See, e.g., Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 and 731-TA-812-13 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff'd sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp. 2d 1353 (Ct. Int'l Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-62 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

<sup>82</sup> *See generally, Cheflene Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002).

<sup>83</sup> *Original Investigations*, USITC Pub. 4823 at 14.

<sup>84</sup> *Original Investigations*, USITC Pub. 4823 at 13.

<sup>85</sup> *Original Investigations*, USITC Pub. 4823 at 14. Purchasers reported, however, that subject imports from China were inferior to those from Italy with respect to product consistency and quality exceeding industry standards. *Id.* Purchasers also reported that domestic FSF was superior to subject imports from Italy with respect to delivery. *Id.* Finally, purchasers reported that domestic FSF and subject imports from China were comparable in terms of quality, but the domestic FSF was either (Continued...)

imports from Italy competed to a limited degree with other subject imports and with the domestic like product because they were normalized, finding that normalized FSF could be substituted for non-normalized FSF in applications that did not require normalized FSF, and that most of the U.S. market did not require normalization.<sup>86</sup>

In these reviews, there is no new information in the record to indicate that the degree of fungibility between and among subject imports from China, Italy, and Taiwan and the domestic like product has changed since the original investigations. Domestic Interested Parties contend that there remains a high degree of substitutability between subject imports and the domestic like product.<sup>87</sup>

*Channels of Distribution.* In the original investigations, the Commission found that \*\*\* percent of commercial shipments of domestic FSF and the “vast majority” of subject imports from China, Italy, and Taiwan were sold to distributors during the period of investigation.<sup>88</sup>

In these reviews, there is no new information on the record to indicate that the channels of distribution used by domestic and subject FSF from each country have changed from that observed by the Commission in the original investigations. Domestic Interested Parties contend that there have been no changes to the channels of distribution for domestic and subject FSF.<sup>89</sup>

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(...Continued)

comparable or superior to subject imports from China with respect to product consistency and superior with respect to delivery and reliability of supply. *Id.*

<sup>86</sup> *Original Investigations*, USITC Pub. 4823 at 14–15.

<sup>87</sup> *Domestic Response* at 9.

<sup>88</sup> *Original Investigations*, USITC Pub. 4823 at 15; *Confidential Views of the Commission (Final)*, EDIS Doc. 656080 at 20–21 (Sept. 18, 2018) (“*Confidential Views*”).

<sup>89</sup> *Domestic Response* at 9.

*Geographic Overlap.* In the original investigations, the Commission found that the domestic like product and FSF imported from each of the subject countries were sold in overlapping regions throughout the United States.<sup>90</sup> The Commission also found that imports from all three subject countries entered the United States at northern, southern, eastern, and western borders of entry.<sup>91</sup>

In these reviews, subject imports from China, Italy, and Taiwan entered through northern, southern, eastern, and western borders of entry in all years from 2018 through 2022.<sup>92</sup> Most imports of FSF from China and Italy entered through the southern border of entry in 2018 through 2022.<sup>93</sup> Most imports of FSF from Taiwan entered through the western border of entry in 2018 through 2022.<sup>94</sup> Thus, the record indicates that subject imports from each country continued to geographically overlap during the period of review.

*Simultaneous Presence.* In the original investigations, the Commission found that subject imports from all three subject countries were present in the U.S. market in every month of the period of investigation.<sup>95</sup>

In these reviews, subject imports from China, Italy, and Taiwan were present in the U.S. market during every month of the 60-month period of review.<sup>96</sup>

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<sup>90</sup> *Original Investigations*, USITC Pub. 4823 at 15.

<sup>91</sup> *Original Investigations*, USITC Pub. 4823 at 15.

<sup>92</sup> CR/PR at I-18.

<sup>93</sup> CR/PR at I-18.

<sup>94</sup> CR/PR at I-18.

<sup>95</sup> *Original Investigations*, USITC Pub. 4823 at 15.

<sup>96</sup> CR/PR at I-18.

*Conclusion.* The record in these expedited reviews indicates that subject imports from China, Italy, and Taiwan remain fungible with each other and the domestic like product. The record also indicates that subject imports from China, Italy, and Taiwan overlapped with each other and the domestic like product in terms of channels of distribution and geographic markets and were simultaneously present in the U.S. market. In light of this, and in the absence of any contrary argument, we find that there would likely be a reasonable overlap of competition between and among subject imports of FSF from China, Italy, and Taiwan and the domestic like product, if the orders were revoked.

**E. Likely Conditions of Competition**

We next consider whether subject imports of FSF from China, Italy, and Taiwan are likely to compete under different conditions of competition in the U.S. market. In determining whether to exercise our discretion to cumulate the subject imports, we assess whether the subject imports from each group of subject countries for which we have found there is a likely reasonable overlap of competition are likely to compete under similar conditions in the U.S. market in the event of revocation.

The record in these five-year reviews contains limited current information about the FSF industries in China, Italy, and Taiwan and the U.S. market for FSF. There is no information in the record to suggest that subject imports from China, Italy, and Taiwan are likely to compete under different conditions of competition if the orders were revoked. The available information shows that the U.S. is a key export market for each subject country, and subject imports from each country have remained in the U.S. market throughout the period of review. Based on the information available, and in the absence of any argument to the contrary, we



find that imports from China, Italy, and Taiwan are likely to compete under similar conditions of competition in the event of revocation of the orders.

#### **F. Conclusion**

In sum, we determine that subject imports of FSF from China, Italy, and Taiwan, considered individually, are not likely to have no discernible adverse impact on the domestic industry if the corresponding orders were revoked. We also find a likely reasonable overlap of competition between and among subject imports from China, Italy, and Taiwan and the domestic like product if the orders were revoked. Finally, we find that imports from each subject country would be likely to compete under similar conditions of competition if the orders were revoked. We therefore exercise our discretion to cumulate subject imports of China, Italy, and Taiwan for purposes of our analysis in these reviews.

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

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

In a five-year review 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>97</sup> The SAA states that “under the likelihood standard, the Commission will engage in a

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<sup>97</sup> 19 U.S.C. § 1675a(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>98</sup> Thus, the likelihood standard is prospective in nature.<sup>99</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>100</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>101</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>102</sup>

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<sup>98</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 material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

<sup>99</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>100</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>101</sup> 19 U.S.C. § 1675a(a)(5).

<sup>102</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 (Continued...)

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>103</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>104</sup> The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.<sup>105</sup>

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>106</sup> In doing so, the Commission

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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>103</sup> 19 U.S.C. § 1675a(a)(1).

<sup>104</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings since the imposition of the antidumping orders. See U.S. Dept. of Commerce, *Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Reviews of the Antidumping Duty Orders on Forged Steel Fittings from the People’s Republic of China, Taiwan, and Italy* at 5–6 (Nov. 27, 2023).

<sup>105</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>106</sup> 19 U.S.C. § 1675a(a)(2).

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>107</sup>

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>108</sup>

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

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<sup>107</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>108</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.

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>109</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>110</sup>

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the FSF industries in China, Italy, and Taiwan. There also is limited information on the FSF 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 investigations and the limited new information on the record in these five-year reviews.

#### **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

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<sup>109</sup> 19 U.S.C. § 1675a(a)(4).

<sup>110</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

“within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>111</sup> The following conditions of competition inform our determinations.

### 1. Demand Conditions

*Original Investigations.* The Commission noted that demand for FSF depends on the demand for piping systems used in the oil and gas, chemical, and petrochemical industries.<sup>112</sup> The Commission observed particularly that oil and gas prices are drivers of U.S. oil exploration and production activity, such as oil and gas rig activity, which in turn drives demand for the piping systems used in the oil and gas industries.<sup>113</sup> Apparent U.S. consumption decreased from \*\*\* short tons in 2015 to \*\*\* short tons in 2016 and then increased to \*\*\* short tons in 2017.<sup>114</sup>

*Current Reviews.* There is no new information indicating that the factors influencing demand have changed since the original investigations. The record indicates that demand for FSF continues to derive from demand for piping systems used in the oil and gas and other industries.<sup>115</sup> Domestic Interested Parties state that there have been no significant changes in FSF end uses and applications or the existence and availability of substitute products since the original investigations, and that they do not anticipate any significant changes in demand conditions within a reasonably foreseeable time.<sup>116</sup>

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<sup>111</sup> 19 U.S.C. § 1675a(a)(4).

<sup>112</sup> *Original Investigations*, USITC Pub. 4823 at 19.

<sup>113</sup> *Original Investigations*, USITC Pub. 4823 at 19.

<sup>114</sup> *Original Investigations*, USITC Pub. 4823 at 19–20; *Confidential Views* at 28; accord CR/PR at Table I-7. Apparent U.S. consumption was \*\*\* short tons in January–March 2017 (“interim 2017”) and \*\*\* short tons in January–March 2018 (“interim 2018”). *Confidential Views* at 28 n.96.

<sup>115</sup> CR/PR at I-7 to I-9.

<sup>116</sup> *Domestic Response* at 20.

Responding purchasers \*\*\* reported that FSF demand \*\*\*.<sup>117</sup> They also reported that \*\*\*.<sup>118</sup> Responding purchaser \*\*\* further reported that \*\*\*.<sup>119</sup>

In 2022, apparent U.S. consumption of FSF was \*\*\* short tons, which was \*\*\* apparent U.S. consumption in 2017, the terminal year of the period of investigation.<sup>120</sup>

## 2. Supply Conditions

*Original Investigations.* The domestic industry was the largest supplier of FSF to the U.S. market during the original period of investigation.<sup>121</sup> Its share of apparent U.S. consumption by quantity increased from \*\*\* percent in 2015, to \*\*\* percent in 2016, and \*\*\* percent in 2017.<sup>122</sup> The domestic industry’s capacity from 2015 to 2017 was “relatively flat” at approximately \*\*\* short tons.<sup>123</sup> The domestic industry’s capacity utilization ranged from \*\*\* to \*\*\* percent over the period of investigation.<sup>124</sup>

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<sup>117</sup> CR/PR at D-3.

<sup>118</sup> CR/PR at D-3.

<sup>119</sup> CR/PR at D-4.

<sup>120</sup> CR/PR at Table I-7. Apparent U.S. consumption in 2022 may be overstated relative to that in 2017 because apparent U.S. consumption in 2022 is based upon official import statistics that may include out-of-scope products, whereas apparent U.S. consumption in 2017 is based on the questionnaire responses of U.S. importers. *See id.* at Note; *see also Original Investigations*, USITC Pub. 4823 at 3.

<sup>121</sup> *Original Investigations*, USITC Pub. 4823 at 20.

<sup>122</sup> *Original Investigations*, USITC Pub. 4823 at 20; *Confidential Views* at 28; *accord* CR/PR at Table I-7. The domestic industry’s share of the U.S. market was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. *Original Investigations*, USITC Pub. 4823 at 20 n.97; *Confidential Views* at 28 n.97.

<sup>123</sup> *Original Investigations*, USITC Pub. 4823 at 20; *Confidential Views* at 28; *accord* CR/PR at Table I-5.

<sup>124</sup> *Original Investigations*, USITC Pub. 4823 at 20; *Confidential Views* at 28; *accord* CR/PR at Table I-5.

Cumulated subject imports were the second-largest supplier of FSF to the U.S. market during the period of investigation.<sup>125</sup> Their share of apparent U.S. consumption by quantity was \*\*\* percent in 2015, \*\*\* percent in 2016, and \*\*\* percent in 2017.<sup>126</sup>

Nonsubject imports were the smallest source of supply of FSF to the U.S. market over the period of investigation.<sup>127</sup> Their share of apparent U.S. consumption by quantity ranged between \*\*\* percent during the period of investigation.<sup>128</sup>

*Current Reviews.* The domestic industry was the \*\*\* source of FSF in the U.S. market in 2022, accounting for \*\*\* percent of apparent U.S. consumption by quantity that year.<sup>129</sup> Domestic Interested Parties provided a list of five known U.S. producers of FSF.<sup>130</sup> Domestic capacity \*\*\* during the period of review, from \*\*\* short tons in 2017 to \*\*\* short tons in 2022.<sup>131</sup>

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<sup>125</sup> *Original Investigations*, USITC Pub. 4823 at 20.

<sup>126</sup> *Original Investigations*, USITC Pub. 4823 at 20; *Confidential Views* at 29; accord CR/PR at Table I-7. Cumulated subject imports' share of the U.S. market was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. *Original Investigations*, USITC Pub. 4823 at 20 n.101; *Confidential Views* at 29 n.101.

<sup>127</sup> CR/PR at Table I-7.

<sup>128</sup> *Original Investigations*, USITC Pub. 4823 at 20; *Confidential Views* at 28; accord CR/PR at Table I-7.

<sup>129</sup> CR/PR at Table I-7. The domestic industry's share of apparent U.S. consumption in 2022 may be understated because the official import statistics used to calculate apparent U.S. consumption may contain out-of-scope products. *Id.* at Note.

<sup>130</sup> *Domestic Response* at 18, Exhibit 6.

<sup>131</sup> CR/PR at Table I-5.



Cumulated subject imports were the second-largest supplier of FSF to the U.S. market during the period of review, accounting for \*\*\* percent of apparent U.S. consumption by quantity in 2022.<sup>132</sup>

Nonsubject imports were the \*\*\* source of FSF in the U.S. market in 2022, accounting for \*\*\* percent of apparent U.S. consumption by quantity that year.<sup>133</sup> India, South Korea, and Canada were the three largest sources of nonsubject imports during the period of review.<sup>134</sup> Antidumping duty orders have covered nonsubject imports from India and Korea since 2020, and a countervailing duty order was also imposed on nonsubject imports from India in 2020.<sup>135</sup> Domestic Interested Parties argue that nonsubject imports from India and Korea rapidly increased after imposition of the orders on FSF from China, Italy, and Taiwan, causing the domestic industry to lose the market share it had regained due to the orders.<sup>136</sup>

Purchaser \*\*\* reported that \*\*\*.<sup>137</sup> Purchaser \*\*\* reported that \*\*\*.<sup>138</sup> \*\*\* also reported that \*\*\*.<sup>139</sup>

### **3. Substitutability and Other Conditions**

*Original Investigations.* The Commission noted that, because FSF is typically produced according to MSS and ASTM specifications and ASME design standards, there was a high degree

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<sup>132</sup> CR/PR at Table I-7. Subject import market share may be overstated because official import statistics may include out-of-scope products. *Id.* at Note.

<sup>133</sup> CR/PR at Table I-7. Nonsubject import market share may be overstated because official import statistics may include out-of-scope products. *Id.* at Note.

<sup>134</sup> CR/PR at Table I-6.

<sup>135</sup> CR/PR at Table I-3.

<sup>136</sup> *Domestic Response* at 7–8.

<sup>137</sup> CR/PR at D-3.

<sup>138</sup> CR/PR at D-3.

<sup>139</sup> CR/PR at D-4.

of substitutability between domestically produced FSF and subject imports.<sup>140</sup> The Commission observed that all U.S. producers, a plurality of importers, and a majority of purchasers reported that U.S.-produced FSF and subject imports were always interchangeable.<sup>141</sup> The Commission also found that price was an important factor in purchasing decisions.<sup>142</sup>

The Commission found that the primary raw material used in making FSF was special bar quality (“SBQ”) hot-rolled steel bar.<sup>143</sup> The record indicated that raw material prices had fluctuated over the period of investigation.<sup>144</sup>

The Commission also found that domestic FSF and subject imports were both sold primarily from inventory, and that they were sold through some of the same distributors, for some of the same end users.<sup>145</sup> The record indicated that \*\*\* U.S. producers’ commercial shipments and \*\*\* percent of importers’ commercial shipments were sold through spot sales in 2017.<sup>146</sup>

*Current Reviews.* The record in these reviews contains no new information to indicate that the degree of substitutability between the domestic like product and subject imports, or the importance of price in purchasing decisions, have changed since the original investigations. Domestic Interested Parties argue that subject imports and the domestic like product remain

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<sup>140</sup> *Original Investigations*, USITC Pub. 4823 at 21.

<sup>141</sup> *Original Investigations*, USITC Pub. 4823 at 21.

<sup>142</sup> *Original Investigations*, USITC Pub. 4823 at 21.

<sup>143</sup> *Original Investigations*, USITC Pub. 4823 at 21.

<sup>144</sup> *Original Investigations*, USITC Pub. 4823 at 21.

<sup>145</sup> *Original Investigations*, USITC Pub. 4823 at 21.

<sup>146</sup> *Original Investigations*, USITC Pub. 4823 at 21; *Confidential Views* at 29.

highly substitutable and that price remains an important factor in purchasing decisions.<sup>147</sup>

Accordingly, we find, as in the original investigations, that there is a high degree of substitutability between subject imports and the domestic like product and that price remains an important factor in purchasing decisions.

FSF from China became subject to an additional 10 percent *ad valorem* duty under section 301 of the Trade Act of 1974, effective September 24, 2018.<sup>148</sup> This additional *ad valorem* duty was increased to 25 percent effective May 10, 2019.<sup>149</sup>

### C. Likely Volume of Subject Imports

*Original Investigations.* The Commission found that cumulated subject imports from China, Italy, and Taiwan had a substantial presence in the U.S. market throughout the period of investigation.<sup>150</sup> Shipments of subject imports decreased from 9,233 short tons in 2015, to 7,417 short tons in 2016, and then increased to 10,172 short tons in 2017, a level 10.2 percent higher than in 2015.<sup>151</sup> The cumulated subject imports' share of apparent U.S. consumption by quantity was \*\*\* percent in 2015, \*\*\* percent in 2016, and \*\*\* percent in 2017.<sup>152</sup> The

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<sup>147</sup> *Domestic Response* at 10, 16–17.

<sup>148</sup> CR/PR at I-6.

<sup>149</sup> CR/PR at I-6.

<sup>150</sup> *Original Investigations*, USITC Pub. 4823 at 22.

<sup>151</sup> *Original Investigations*, USITC Pub. 4823 at 22; *accord* CR/PR at Table I-7. Shipments of cumulated subject imports were 2,677 short tons in interim 2017 and 2,376 short tons in interim 2018 *Original Investigations*, USITC Pub. 4823 at 22 n.117.

<sup>152</sup> *Original Investigations*, USITC Pub. 4823 at 22; *Confidential Views* at 31; *accord* CR/PR at Table I-7. Cumulated subject imports' share of apparent U.S. consumption by quantity was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. *Original Investigations*, USITC Pub. 4823 at 22 n.118; *Confidential Views* at 31 n.118.

Commission found that the volume of subject imports was significant both in absolute terms and relative to apparent U.S. consumption.<sup>153</sup>

*Current Reviews.* The record indicates that subject imports maintained a presence in the U.S. market throughout the period of review, while under the disciplining effect of the orders. Cumulated subject imports declined from 40,508 short tons in 2018 to 27,710 short tons in 2019 and 14,621 short tons in 2020, before increasing to 20,808 short tons in 2021 and 22,001 short tons in 2022.<sup>154</sup> Subject imports accounted for \*\*\* percent of apparent U.S. consumption by quantity in 2022, compared to \*\*\* percent in 2017.<sup>155</sup>

The record in these reviews contain limited information on the FSF industries in China, Italy, and Taiwan. The available information indicates that subject producers have the ability and incentive to export subject merchandise to the U.S. market at significant volumes if the orders were revoked. Domestic Interested Parties provided a list of 40 possible producers and approximately 1,900 possible exporters of FSF in China, Italy, and Taiwan.<sup>156</sup> Domestic Interested Parties also submitted the following information from company websites indicating that several subject producers possess substantial capacity and focus on export markets:

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<sup>153</sup> *Original Investigations*, USITC Pub. 4823 at 22.

<sup>154</sup> CR/PR at Table I-6; *accord Domestic Response*, Exhibit 2.

<sup>155</sup> CR/PR at Table I-7. As discussed in section IV.B.2 above, subject import market share in 2022 may be overstated relative to that in 2017 because subject import market share in 2022 was calculated using official import statistics that may include out-of-scope products, whereas subject import market share in 2017 was based on the questionnaire responses of U.S. importers.

<sup>156</sup> *Domestic 2d Suppl. Response*, Revised Exhibit 1 at 8; *Domestic Response*, Exhibits 9 & 11. Domestic Interested Parties argue that there have been no significant changes in the subject industries' ability to shift production since 2018. *Domestic Response* at 20. In the original investigations, two of four responding Italian producers, but no responding Chinese or Taiwan producers, reported the ability to product shift. *Original Investigations*, USITC Pub. 4823 at Table II-3.

- Both-Well Group boasts an annual production capacity of 30,000 tons in Taiwan and 20,000 tons in its Chinese facility. Its “Mission and Vision” statement indicates a “management ideology” with goals of “reinforcing the promotion of export markets, and cooperating with major master distributors overseas to establish regional centers” and “incorporating government industrial policies and development programs.”
- Chinese producer Qingdao Bestflow Industrial Co., Ltd. exports approximately 95 percent of its production with 20 percent of its output currently targeted at North America.
- Chinese producer Ningbo Longteng Metal Manufacturing Co., Ltd. (“Ningbo Longteng”) states that its “annual processing volume has up to 30,000,000 pcs and we could do more.”
- Italian FSF producer M.E.G.A. S.p.A. indicates that it is capable of producing 18,000 tons of subject merchandise per year.
- The Casarza Ligure facility of Industria Meccanica Ligure S.p.A. (“I.M.L.”) features a “modern inhouse forging plant (over 12,000 tons of production per year), which is provided with state of the art machining equipment at the highest levels in terms of capacity and quality.” This facility and its “extensive stock range of raw materials and finished products” allow I.M.L. to service “all the major world-wide end-users.”
- Lu Chu Shin Yee Works Co. Ltd. facilities in Taiwan have the capacity to produce between 84,000 to 120,000 tons of product per year. According to its LinkedIn profile, “Lu Chu Shin Yee has not only grown in Taiwan alone, but also expanded into oversea partnerships with manufacturers in both China and the Philippines.” It highlights its role as the only manufacturer from the “Far East” to be a “major supplier to American company Parker Hannifin.”<sup>157</sup>

The information available also indicates that the Chinese, Italian, and Taiwan industries are large exporters. According to GTA data, China and Italy were the two leading global exporters of other tube and pipe fittings of iron or steel under HS subheading 7307.99, including FSF and out-of-scope products, throughout the period of review, accounting for

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<sup>157</sup> Domestic Response at 12–13, Exhibit 3.

approximately 33.0 and 7.6 percent of global exports in 2022, respectively.<sup>158</sup> These data also indicate that in 2022, exports of such merchandise were 213,394 short tons from China, 48,931 short tons from Italy, and 11,781 short tons from Taiwan.<sup>159</sup>

The record also indicates that the U.S. market remains attractive to subject producers. Cumulated subject imports maintained a substantial presence in the U.S. market during the period of review, accounting for \*\*\* percent of apparent U.S. consumption in 2022,<sup>160</sup> thereby maintaining ready distribution networks and customers in the United States. According to GTA data, in 2022, the United States was the largest destination market, by quantity, for Chinese and Taiwan exports of other tube and pipe fittings of iron or steel under HS subheading 7307.99, which includes FSF and out-of-scope products, and the second largest destination for exports of such merchandise from Italy.<sup>161</sup>

Trade measures on FSF from China and Taiwan in third-country markets would also make the U.S. market relatively more attractive in the event of revocation of the orders.<sup>162</sup> The European Union imposed antidumping measures on certain imports of tube and pipe fittings of iron and steel, a product category that includes certain FSF, from China in March 1996 and

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<sup>158</sup> CR/PR at Table I-11. Taiwan fell just outside of the top 10 exporting countries with 1.8 percent of global exports in 2022, compared to tenth-largest Mexico's 2.0 percent. *See id.* at Tables I-10 & I-11.

<sup>159</sup> CR/PR at Tables I-8 through I-11.

<sup>160</sup> CR/PR at Table I-7. As discussed in section IV.B.2 above, subject import market share in 2022 may be overstated because subject import market share in 2022 was calculated using official import statistics that may include out-of-scope products.

<sup>161</sup> CR/PR at Tables I-8 to I-10.

<sup>162</sup> *Domestic Response* at 15, Exhibit 5.

extended the measures to Taiwan due to circumvention in April 2000.<sup>163</sup> Currently, such imports (excluding threaded imports) from China and Taiwan are subject to 58.6 percent duty rates in the European Union.<sup>164</sup>

Given the foregoing, including the significant volume and market share of cumulated subject imports during the original investigations, the continued presence of cumulated subject imports in the U.S. market during the period of review under the disciplining effect of the orders, the available information about the FSF industries in the subject countries, and the attractiveness of the U.S. market, we find that the volume of cumulated subject imports would likely be significant, both in absolute terms and relative to consumption in the United States, if the orders were revoked.<sup>165</sup>

#### **D. Likely Price Effects**

*Original Investigations.* The Commission reiterated that there was a high degree of substitutability between domestic FSF and subject imports and that price was an important factor in purchasing decisions.<sup>166</sup> Quarterly pricing data indicated that subject imports

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<sup>163</sup> *Domestic Response*, Exhibit 5; CR/PR at I-27. Subsequent sunset reviews have received affirmative measures, with the last affirmative measure in January 2022. *Id.*

<sup>164</sup> CR/PR at I-27.

<sup>165</sup> Although subject imports from China are currently subject to a 25 percent *ad valorem* duty under Section 301, neither Domestic Interested Parties nor the responding purchasers indicated that this duty would prevent subject imports from entering the U.S. market at significant levels if the orders were revoked. *See generally Domestic Response*; CR/PR at D-3 to D-4. Indeed, subject imports from China increased 64.3 percent from 2020 to 2022 and accounted for \*\*\* percent of apparent U.S. consumption in 2022. CR/PR at Tables I-6 & I-7. Given this, as well as the available information about the FSF industry in China, we find that the Section 301 duties would not likely prevent subject imports from China from entering the U.S. market at significant levels if the orders were revoked.

The record of these expedited reviews contains no information concerning inventories of subject merchandise.

<sup>166</sup> *Original Investigations*, USITC Pub. 4823 at 22.

undersold the domestic like product in 116 of 156 quarterly comparisons, or 74.4 percent of the time, at margins ranging from \*\*\* percent to \*\*\* percent.<sup>167</sup> The volume of subject imports involved in quarters with underselling (1,054 short tons) was substantially larger than the volume involved in quarters with overselling (84 short tons).<sup>168</sup>

The Commission also considered lost sales information. Nineteen of 25 responding purchasers reported purchasing subject imports rather than the domestic like product, 17 of these purchasers reported that subject import prices were lower, and 16 reported that price was a primary reason for purchasing \*\*\* short tons of subject imports rather than the domestic like product.<sup>169</sup> Based on the foregoing, the Commission found subject import underselling to be significant.<sup>170</sup>

The Commission also considered trends in pricing for the domestic like product and subject imports.<sup>171</sup> Prices of the domestic like product generally declined over the period of investigation, with subject import prices fluctuating at generally lower price levels than the domestic prices.<sup>172</sup>

The Commission found that as oil and gas prices, SBQ hot-rolled steel bar prices, and apparent U.S. consumption increased from 2016 to 2017, underselling by subject imports prevented the domestic industry from taking advantage of increased consumption and raising

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<sup>167</sup> *Original Investigations*, USITC Pub. 4823 at 22–23; *Confidential Views* at 32–33.

<sup>168</sup> *Original Investigations*, USITC Pub. 4823 at 23.

<sup>169</sup> *Original Investigations*, USITC Pub. 4823 at 23; *Confidential Views* at 33 n.127. These 19 purchasers accounted for \*\*\* percent of the reported subject imports purchased by responding purchasers during the period of investigation. *Id.* at 23; *Confidential Views* at 33.

<sup>170</sup> *Original Investigation*, USITC Pub. 4823 at 23–24.

<sup>171</sup> *Original Investigations*, USITC Pub. 4823 at 24–26.

<sup>172</sup> *Original Investigations*, USITC Pub. 4823 at 24–25.



its prices, as would have been expected for a product with few substitutes.<sup>173</sup> The Commission therefore found that the low-priced cumulated subject imports suppressed prices of the domestic like product to a significant degree.<sup>174</sup>

*Current Reviews.* As discussed in section IV.B.3 above, we have found that there is a high degree of substitutability between domestically produced FSF and subject imports and that price is an important factor in purchasing decisions for FSF.

The record in these expedited reviews does not contain new product-specific pricing information. Based on the available information, including the high degree of substitutability between the domestic like product and subject imports and the importance of price in purchasing decisions, we find that, if the orders were revoked, significant volumes of subject imports would likely undersell the domestic like product to a significant degree, as they did in

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<sup>173</sup> *Original Investigations*, USITC Pub. 4823 at 25–26. The Commission rejected the respondents’ argument that declining raw material costs explained continued low prices in 2017. *Id.* The Commission found that the per unit raw material costs had increased for the two firms that produced \*\*\* percent and sold \*\*\* percent (by quantity) of the domestically produced FSF in 2017. *Id.* at 25; *Confidential Views* at 36. The Commission also found that the evidence on the record that declining raw material prices would be expected to drive down the price of FSF was mixed, as the domestic industry argued that it rarely discussed raw material prices with FSF customers. *Original Investigations*, USITC Pub. 4823 at 25. Because the domestic industry’s sales were \*\*\* on the spot market, the Commission observed, they would not be impacted by raw material adjustment clauses in contracts that influence prices in some industries. *Id.*; *Confidential Views* at 36. The Commission found that the questionnaire responses were generally mixed on the extent to which raw materials affected the price of FSF. *Original Investigations*, USITC Pub. 4823 at 25. The Commission also found that published prices for raw material SBQ hot-rolled steel bar, which were easily available and well known in the market, increased in 2017. *Id.* The Commission concluded that to the extent that raw material costs impacted prices in the U.S. market, the increase in SBQ hot-rolled steel bar prices would have been a reason for producers to seek to increase prices, particularly given the limited substitutes for FSF and increasing demand. *Id.* at 25–26.

<sup>174</sup> *Original Investigations*, USITC Pub. 4823 at 26.

the original investigations.<sup>175</sup> Absent the discipline of the order, the significant volumes of low-priced subject imports would likely take sales and market share from domestic producers and/or force the domestic industry to cut prices or forego price increases necessary to cover increasing costs, thereby depressing or suppressing prices for the domestic like product. Consequently, we find that if the orders were revoked, subject imports would likely have significant price effects.

#### **E. Likely Impact**

*Original Investigations.* The Commission found that certain trade indicators of the domestic industry increased overall during the period of investigation, including production, capacity utilization, and U.S. shipments, while the number of production related workers and total hours worked declined overall during the period.<sup>176</sup> The Commission found that the domestic industry's financial indicia generally declined from 2015 to 2016 and improved from 2016 to 2017.<sup>177</sup> When demand increased but the underselling continued in 2017, the Commission observed, the domestic industry was able to increase its sales, shipments, and market share to some extent, but its prices were stagnant or somewhat decreasing and its capacity utilization remained low.<sup>178</sup>

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<sup>175</sup> As reviewed above in section III.B., in the original investigations, imports of FSF from China undersold the domestic product in 27 of 52 quarterly comparisons, with an average margin of underselling of 6.3 percent. Imports of FSF from Italy undersold the domestic product in 39 of 52 quarterly comparisons, with an average margin of underselling of 10.1 percent, while imports from Taiwan undersold the domestic product in 50 of 52 comparisons, with an average margin of underselling of 19.7 percent.

<sup>176</sup> *Original Investigations*, USITC Pub. 4823 at 26–27.

<sup>177</sup> *Original Investigations*, USITC Pub. 4823 at 27.

<sup>178</sup> *Original Investigations*, USITC Pub. 4823 at 28.

The Commission found that significant volumes of low-priced cumulated subject imports that were highly substitutable with the domestic like product entered the U.S. market, significantly undersold the domestic like product, and suppressed domestic prices to a significant degree at a time of growing demand.<sup>179</sup> Underselling and price suppression had prevented the domestic industry from fully benefitting from the strong increase in apparent U.S. consumption from 2016 to 2017 and experiencing better financial performance than it did.<sup>180</sup> The Commission also observed that the domestic industry's performance was substantially better in interim 2018, after the petitions had been filed, than in interim 2017, as U.S. shipments of subject imports and underselling declined.<sup>181</sup> The Commission therefore concluded that the cumulated subject imports had a significant adverse impact on the domestic industry.<sup>182</sup>

The Commission rejected the respondents' argument that subject import competition was severely attenuated due to normalization, finding that competition was direct and price-based.<sup>183</sup> As the Commission explained, about 90 percent of the U.S. market does not require normalization, and the parties agreed that normalized FSF can be used in applications that do not require normalized FSF.<sup>184</sup> The Commission found that the domestic industry had competed for sales of normalized FSF and had substantial unused capacity to produce

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<sup>179</sup> *Original Investigations*, USITC Pub. 4823 at 28.

<sup>180</sup> *Original Investigations*, USITC Pub. 4823 at 28–29.

<sup>181</sup> *Original Investigations*, USITC Pub. 4823 at 29.

<sup>182</sup> *Original Investigations*, USITC Pub. 4823 at 31.

<sup>183</sup> *Original Investigations*, USITC Pub. 4823 at 29–30.

<sup>184</sup> *Original Investigations*, USITC Pub. 4823 at 30.

normalized fittings, but had lost sales to subject imports primarily for price reasons.<sup>185</sup> It also rejected respondents' argument that supply was limited in the U.S. market, finding that the domestic industry had ample unused capacity with which to supply its customers.<sup>186</sup>

Considering the role of nonsubject imports, the Commission found that nonsubject imports never accounted for more than \*\*\* percent of apparent U.S. consumption, and their share of the market declined from 2015 to 2017.<sup>187</sup> The Commission also found that the volume of nonsubject imports was higher in interim 2018 than in interim 2017, yet the domestic industry experienced significant improvements in its performance indicators.<sup>188</sup> Consequently, the Commission concluded that nonsubject imports' relatively small and overall declining presence in the market did not explain the inability of the domestic industry to benefit fully from the increase in demand in 2017.<sup>189</sup>

*Current Reviews.*<sup>190</sup> The record in these expedited reviews contains limited information concerning the domestic industry's performance since the original investigations. The information available indicates that the domestic industry's performance generally improved in

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<sup>185</sup> *Original Investigations*, USITC Pub. 4823 at 30.

<sup>186</sup> *Original Investigations*, USITC Pub. 4823 at 30.

<sup>187</sup> *Original Investigations*, USITC Pub. 4823 at 31; *Confidential Views* at 46.

<sup>188</sup> *Original Investigations*, USITC Pub. 4823 at 31.

<sup>189</sup> *Original Investigations*, USITC Pub. 4823 at 31.

<sup>190</sup> In its expedited review of the antidumping duty orders, Commerce determined that revocation of the orders would likely result in the continuation or recurrence of dumping, with margins of up to 142.72 percent for China, 80.2 percent for Italy, and 116.17 percent for Taiwan. *Forged Steel Fittings from the People's Republic of China, Taiwan, and Italy: Final Results of the Expedited First Sunset Reviews of the Antidumping Duty Orders*, 88 Fed. Reg. 83909, 83910 (Dec. 1, 2023). Commerce also determined that revocation of the countervailing duty order on FSF from China would likely result in the continuation or recurrence of countervailing subsidies at rates up to 13.88 percent. *Forged Steel Fittings from the People's Republic of China: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order*, 88 Fed. Reg. 83903 (Dec. 1, 2023).

2022 compared to its performance in 2017, the last year examined in the original investigations.<sup>191</sup> The domestic industry's capacity, at \*\*\* short tons, and production, at \*\*\* short tons, were \*\*\* in 2022 than in 2017, while the industry's capacity utilization, at \*\*\* percent, was \*\*\* in 2022 than the 2017 rate of \*\*\* percent.<sup>192</sup> The domestic industry's U.S. shipments of FSF, at \*\*\* short tons, and share of apparent U.S. consumption by quantity, at \*\*\* percent, were \*\*\* in 2022 than in 2017.<sup>193</sup>

The domestic industry's net sales value of \$\*\*\* in 2022, however, was \*\*\* than in 2017.<sup>194</sup> The industry's gross profit of \$\*\*\*, operating income of \$\*\*\*, and operating-income-to-net-sales ratio of \*\*\* percent were all \*\*\* in 2022 than in 2017.<sup>195</sup> This limited information is insufficient for us to make a finding as to whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of this order.

Based on the information available on the record, we find that revocation of the orders would likely result in a significant volume of cumulated subject imports that would likely undersell the domestic like product to a significant degree. Given the high degree of substitutability between the domestic like product and subject imports and the importance of

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<sup>191</sup> CR/PR at Table I-5.

<sup>192</sup> CR/PR at Table I-5; Revised Table I-5, INV-VV-093. The domestic industry's capacity was \*\*\* short tons in 2017, with a capacity utilization of \*\*\* percent. CR/PR at Table I-5. The domestic industry's production was \*\*\* short tons in 2017. *Id.*

<sup>193</sup> CR/PR at Table I-7. In 2017, the domestic industry's U.S. shipments were \*\*\* short tons, with a share of apparent U.S. consumption of \*\*\* percent. *Id.* As previously noted, the domestic industry's share of apparent U.S. consumption in 2022 may be understated because the official import statistics used to calculate apparent U.S. consumption may contain out-of-scope products.

<sup>194</sup> CR/PR at Table I-5. The domestic industry's net sales were \$\*\*\* in 2017. *Id.*

<sup>195</sup> CR/PR at Table I-5. In 2017, the domestic industry's gross profit was \$\*\*\*, with an operating income of \$\*\*\*. *Id.* The domestic industry's operating-income-to-net-sales ratio was \*\*\* percent in 2017. *Id.*

price in purchasing decisions, significant volumes of low-priced cumulated subject imports would likely capture sales and market share from the domestic industry and/or significantly depress or suppress prices for the domestic like product. The likely significant volume of low-priced cumulated subject imports and their adverse price effects would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry, which, in turn, would have a direct adverse impact on the industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments. We thus conclude that, if the orders were revoked, cumulated subject imports from China, Italy, and Taiwan would be likely to have a significant impact on the domestic industry within a reasonably foreseeable time.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports. The information available indicates that nonsubject imports have substantially increased their presence in the U.S. market since the original investigations, increasing their share of apparent U.S. consumption from \*\*\* percent in 2017 to \*\*\* percent in 2022.<sup>196</sup> The record provides no indication, however, that the presence of nonsubject imports would prevent cumulated subject imports from significantly increasing their presence in the U.S. market after revocation. In light of the high degree of substitutability between subject

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<sup>196</sup> CR/PR at Table I-7. The volume of nonsubject imports fluctuated during the period of review, increasing slightly from 34,978 short tons in 2018 to 35,148 short tons in 2019, decreasing to 20,396 short tons in 2020, and then increasing to 23,146 short tons in 2021 and 35,874 short tons in 2022. CR/PR at Table I-6. As discussed in section IV.B.2 above, the volume of nonsubject imports during this period of review may be overstated due to the possible inclusion of out-of-scope products in official import statistics; consequently, apparent U.S. consumption and the market share of nonsubject imports in 2022 may also be overstated.

imports and the domestic like product and the importance of price to purchasers, the significant volume of low-priced cumulated subject imports that we have found likely after revocation would likely take market share from the domestic industry, at least in part, as well as from nonsubject imports, and force domestic producers to either lower prices or forgo price increases to retain market share. We also note that the increased presence of nonsubject imports in the U.S. market did not prevent the domestic industry from improving its financial performance in 2022 compared to 2017.<sup>197</sup> Consequently, we find that any future effects of nonsubject imports would not preclude the likely effects attributable to subject imports.

## **V. Conclusion**

For the foregoing reasons, we determine that revocation of the antidumping duty orders on FSF from China, Italy, and Taiwan and the countervailing duty order on FSF 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.

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<sup>197</sup> CR/PR at Table I-5.





# Information obtained in these reviews

## Background

On August 1, 2023, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted reviews to determine whether revocation of the countervailing duty order on forged steel fittings (“FSF”) from China and the antidumping duty orders on FSF from China, Italy, and Taiwan would be likely to lead to continuation or recurrence of material injury.<sup>2</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>3</sup> <sup>4</sup> Table I-1 presents information relating to the background and schedule of this proceeding:

**Table I-1**  
**FSF: Information relating to the background and schedule of this proceeding**

<b>Effective date</b>	<b>Action</b>
August 1, 2023	Notice of initiation by Commerce (88 FR 50110, August 1, 2023)
August 1, 2023	Notice of institution by Commission (88 FR 50172, August 1, 2023)
November 6, 2023	Date for Commission’s vote on adequacy
December 1, 2023	Date for Commerce’s results of its expedited reviews
January 26, 2024	Commission’s determination(s) and views

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

<sup>2</sup> 88 FR 50172, August 1, 2023. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. 88 FR 50110, August 1, 2023. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website ([www.usitc.gov](http://www.usitc.gov)).

<sup>3</sup> As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in the original investigations and subsequent full reviews (if applicable) are presented in app. C.

<sup>4</sup> Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the domestic like product and the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

# Responses to the Commission’s notice of institution

## Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of the following entities:

1. Bonney Forge Corporation (“Bonney Forge”) and Phoenix Forge Group d/b/a Capitol Manufacturing Company, LLC (“Capitol Manufacturing”), domestic producers of FSF, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (“USW”), a certified labor union whose members include workers at the facilities in which the domestic like product is produced (collectively referred to herein as “domestic interested parties”)

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy or explain deficiencies in their responses and to provide clarifying details where appropriate. A summary of the number of responses and estimates of coverage for each is shown in table I-2.

**Table I-2**  
**FSF Summary of responses to the Commission’s notice of institution**

Interested party type	Number	Coverage
U.S. producer	2	***%
U.S. labor union	1	***%

Note: The U.S. producer coverage figure presented is the domestic interested parties’ estimate of \*\*\* aggregate share of total U.S. production of FSF during 2022. Domestic interested parties’ response to the notice of institution, August 31, 2023, exh. 1.

Note: The coverage figure presented for the U.S. labor union, which represents workers at Bonney Forge, is the domestic interested parties’ estimate of the share of total U.S. production of FSF during 2022. Domestic interested parties’ response to the notice of institution, August 31, 2023, pp. 19, 34, and exh. 1.

## Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews from domestic interested parties. The domestic interested parties request that the Commission find that the domestic industry’s response is adequate, and that the respondent interested party

response is inadequate and conduct expedited reviews of the antidumping and countervailing duty orders on FSF.<sup>5</sup>

## The original investigations

The original investigations resulted from petitions filed on October 5, 2017 with Commerce and the Commission by Bonney Forge Corporation, Mount Union, Pennsylvania, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Pittsburgh, Pennsylvania.<sup>6</sup> On July 30, 2018 Commerce determined that imports of FSF from Taiwan were being sold at less than fair value (“LTFV”).<sup>7</sup> The Commission determined on September 14, 2018 that the domestic industry was materially injured by reason of LTFV imports of FSF from Taiwan.<sup>8</sup> On September 24, 2018, Commerce issued its antidumping duty orders on FSF from Taiwan with the final weighted-average dumping margins of 116.17 percent.<sup>9</sup> On October 5, 2018, Commerce determined that imports of FSF from China and Italy were being sold at LTFV and subsidized by the Government of China.<sup>10</sup> The Commission further determined on November 19, 2018, that the domestic industry was materially injured by reason of LTFV imports of FSF from China and Italy and subsidized by the Government of China.<sup>11</sup> On November 26, 2018, Commerce issued its antidumping duty orders on FSF from China and Italy with the final weighted-average dumping margins ranging from 8.0 to 142.72 percent on FSF from China and ranging from 49.43 to 80.20 percent on FSF from Italy.<sup>12</sup> On November 26, 2018, Commerce issued its countervailing duty order on FSF from China with the final net subsidy rates of 13.41 percent.<sup>13</sup>

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<sup>5</sup> Domestic interested parties’ comments on adequacy, October 12, 2023, p. 2.

<sup>6</sup> Forged Steel Fittings from Taiwan, Inv. No. 731-TA-1396 (Final), USITC Publication 4823, September 2018 (“Original publication”), p. 3. Forged Steel Fittings from China and Italy, Inv. Nos. 701-TA-589 and 731-TA-1394-1395 (Final), USITC Publication 4850, November 2018 (“Original supplemental publication”), p. 3.

<sup>7</sup> Commerce’s determination on Taiwan, 83 FR 36519, July 30, 2018.

<sup>8</sup> 83 FR 47640, September 20, 2018.

<sup>9</sup> 83 FR 48280, September 24, 2018.

<sup>10</sup> Commerce’s determinations on China, 83 FR 50339 and 83 FR 50342, October 5, 2018. Commerce’s determination on Italy, 83 FR 50345, October 5, 2018.

<sup>11</sup> 83 FR 60445, November 26, 2018.

<sup>12</sup> 83 FR 60397, November 26, 2018.

<sup>13</sup> 83 FR 60396, November 26, 2018.

## Previous and related investigations

The Commission has conducted one previous import relief investigation on FSF or similar merchandise, as presented in table I-3.

**Table I-3**  
**FSF: Previous and related Commission proceedings and current status**

<b>Date</b>	<b>Number</b>	<b>Country</b>	<b>ITC original determination</b>	<b>Current status</b>
2020	701-TA-631	India	Affirmative	Order in place effective December 2, 2020
2020	731-TA-1463	India	Affirmative	Order in place effective December 2, 2020
2020	731-TA-1464	Korea	Affirmative	Order in place effective December 2, 2020

Source: U.S. International Trade Commission publications and Federal Register notices.

Note: "Date" refers to the year in which the investigation was instituted by the Commission.

## The product

### Commerce's scope

Commerce has defined the scope as follows:

*The merchandise covered by these orders is carbon and alloy forged steel fittings, whether unfinished (commonly known as blanks or rough forgings) or finished. Such fittings are made in a variety of shapes including, but not limited to, elbows, tees, crosses, laterals, couplings, reducers, caps, plugs, bushings, unions, and outlets. Forged steel fittings are covered regardless of end finish, whether threaded, socket-weld or other end connections. While these fittings are generally manufactured to specifications ASME B16.11, MSS SP- 79, MSS SP-83, MSS SP- 97, ASTM A105, ASTM A350 and ASTM A182, the scope is not limited to fittings made to these specifications. The term forged is an industry term used to describe a class of products included in applicable standards, and does not reference an exclusive manufacturing process. Forged steel fittings are not manufactured from casting. Pursuant to the applicable specifications, subject fittings may also be machined from bar stock or machined from seamless pipe and tube. All types of fittings are included in the scope regardless of nominal pipe size (which may or may not be expressed in inches of nominal pipe size), pressure rating (usually, but not necessarily expressed in pounds of pressure/PSI, e.g., 2,000 or 2M; 3,000 or 3M; 6,000 or 6M; 9,000 or 9M), wall thickness, and whether or not heat treated. Excluded from this scope are all fittings entirely made of stainless steel. Also excluded are flanges, butt weld fittings, butt weld outlets, nipples, and all fittings that have a maximum pressure rating of 300 pounds of pressure/PSI or less. Also excluded are fittings certified or made to the following standards, so long as the fittings are not also manufactured to the specifications of ASME B16.11, MSS SP-79, MSS SP-83, MSS SP-97, ASTM A105, ASTM A350 and ASTM A182:*

- *American Petroleum Institute (API) 5CT, API 5L, or API 11B*
- *Society of Automotive Engineering (SAE) J476, SAE J514, SAE J516, SAE J517, SAE J518, SAE J1026, SAE J1231, SAE J1453, SAE J1926, J2044 or SAE AS 35411*

- *Underwriter’s Laboratories (UL) certified electrical conduit fittings*
- *ASTM A153, A536, A576, or A865*
- *Casing Conductor Connectors 16–42 inches in diameter made to proprietary specifications*
- *Military Specification (MIL) MIL–C–4109F and MIL–F–3541*
- *International Organization for Standardization (ISO) ISO6150–B To be excluded from the scope, products must have the appropriate standard or pressure markings and/or be accompanied by documentation showing product compliance to the applicable standard or pressure, e.g., “API 5CT” mark and/or a mill certification report.<sup>14</sup>*

## **U.S. tariff treatment**

FSFs are imported under Harmonized Tariff Schedule of the United States (“HTS”) statistical reporting numbers 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060. The merchandise subject to these reviews may also be imported under the following HTS statistical reporting numbers: 7307.92.3010, 7307.92.3030, 7307.92.9000, and 7326.19.0010. The general rate of duty is 3.7 percent ad valorem for HTS subheading 7307.99.10, 3.2 percent ad valorem for HTS subheading 7307.99.30, and 4.3 percent ad valorem for HTS subheading 7307.99.50.<sup>15</sup> Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Effective September 24, 2018, FSF originating in China were subject to an additional 10 percent ad valorem duty under section 301 of the Trade Act of 1974. Effective May 10, 2019, the section 301 duty for FSF was increased to 25 percent.<sup>16</sup>

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<sup>14</sup> 83 FR 60397, November 26, 2018.

<sup>15</sup> USITC, HTS (2023) Revision 10, Publication 5451, July 2023, pp. 73-23.

<sup>16</sup> 83 FR 47974, September 21, 2018; 84 FR 20459, May 9, 2019. See also HTS headings 9903.88.03 and U.S. notes 20(e)–20(g) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2023) Revision 10, Publication 5451, July 2023, pp. 99-III-28–99-III-52, 99-III-301. Goods exported from China to the United States prior to May 10, 2019, and entering the United States prior to June 1, 2019, were not subject to the escalated 25 percent duty (84 FR 21892, May 15, 2019).

## Description and uses<sup>17</sup>

FSFs are used in piping systems for oil and gas, in chemical and petrochemical plants, electric power-generating plants, and industrial piping systems for distributing liquids and gases under high pressure or liquids and gases that are corrosive in nature. Fittings connect the pipes that are made to withstand the higher pressures in such systems, and the fittings themselves must also be able to withstand such pressures.

FSFs typically are produced from steel that meets the ASTM A105 or similar standards. They are connected to pipes (or couplings) either by being threaded or by welding (figure I-1).

**Figure I-1**  
**Socket weld, butt weld, and threaded fittings**



Source of photographs: Tianjin Profound Multinational Trade Co. Ltd. (“TPMCSTEEL”), “What Are the Differences Between Socket Weld and Butt Weld?” <http://www.tpmcsteel.com/quality/butt-weld-socket-weld/>, retrieved October 3, 2023.

Note: Socket-weld and threaded fittings are within the product scope of these investigations. Butt-weld fittings are outside the product scope of these investigations, but a butt-weld elbow fitting image is included in Figure I-1 for comparison purposes with the socket-weld fitting. Counsel for the Petitioners testified that butt-weld fittings are produced from different raw materials and in separate production processes that use different manufacturing equipment. Butt-weld fittings are produced from pipe that is bent to produce the desired fitting shape while the vast majority of FSFs are forged. Original publication, p. I-13 (Drake).

*Socket-weld fittings* are recommended for connections that require strength and duration. These types of forged fittings have a socket where the connecting pipe must be sealed and welded (with a fillet-type seal weld) for installation. They are available in sizes up to 4 inches and in pressure ratings from class 3000 to class 6000, and class 9000. Typical applications of socket-weld fittings are:

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<sup>17</sup> Unless otherwise noted, this information is based on Investigation Nos. 731-TA-1463-1464 (Final): Forged Steel Fittings from India and Korea, USITC Publication 5137, November 2020, pp. I-12 – I-15, and Investigation No. 731-TA-1396 (Final): Forged Steel Fittings from Taiwan, USITC Publication 4823, September 2018, pp. I-9 – I-12.

- Steam
- Explosive fluids or gas
- Acids and toxic fluids
- Long-service or durable installations

**Figure I-2**  
**Common shapes for FSFs**



Source: Original publication, p. I-14.

*Threaded fittings* are common for pipeworks—such as water-distribution, fire-protection, and cooling systems—which are low-pressure applications, or installations that are not subject to vibration, elongation or bending forces. However, threaded fittings are generally avoided when the temperature of the fluid is subject to consistent variations, as sudden temperature changes would crack the threaded connection between the fitting and the pipe. Threaded fittings are available in sizes up to four inches and in pressure ratings from class 2000 to 3000 and 6000.

Common shapes of FSFs (figure I-2) include:

- 45- and 90-degrees elbows
- Equal and reducing tees
- Laterals
- Street elbows

**Figure I-3**  
**Examples of other FSFs**



Source: Original publication, p. I-14.

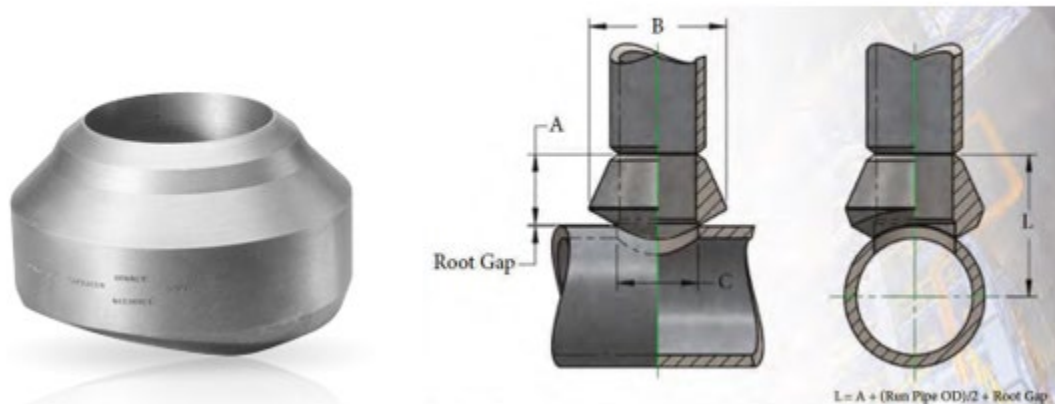


Examples of other forged products that belong to the family of FSFs (figure I-3) include:

- Plugs: round-, square-, or hex-head shaped
- Bushings: flush or hexagonal
- Couplings: half or full
- Reducers and reducer inserts
- Unions
- Welding bosses
- Outlets

*Integrally reinforced forged branch outlet fittings* are an example of an FSF outlet (figure I-4). These types of outlet fittings are used to connect a branch pipe to a header pipe, primarily in oil and gas applications. They may be attached to the pipes through a threaded connection or a butt-welded connection. They are typically available in pressure ratings from class 3000 to 6000 and 9000.

**Figure I-4**  
**Integrally reinforced forged branch outlet fittings**



Source: Bonny Forge, "Weldolet," <http://www.bonnyforge.com/products.php?pg=branch&subpg=weldolet>, retrieved October 3, 2023.

## **Manufacturing process<sup>18</sup>**

The manufacturing process for FSFs can be divided into two steps: forging and finishing.

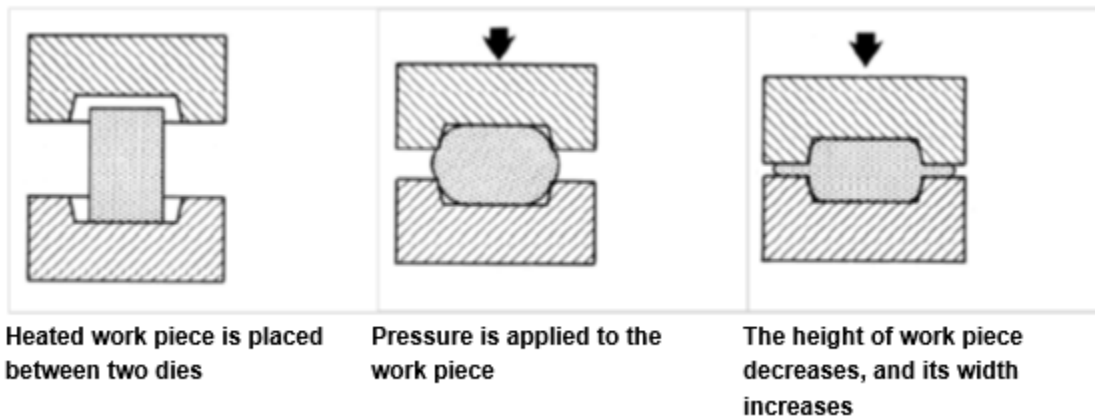
### **Forging operations**

The manufacturing of FSFs normally begins with impression-die forging, also called “closed-die forging” (figure I-5). In closed-die forging, a heated piece of steel bar is placed in a die resembling a mold, and then a hammer die is dropped onto the steel piece, causing the metal to flow and fill the die shapes. These metal-forming dies must be precisely machined and carefully heat-treated to form the steel piece correctly, as well as to withstand the tremendous forces involved. Forging dies are usually made of machine-cut and polished, high-alloy steel. The machinery throughout the process is highly specialized, and facilities must be equipped to melt and move steel, as well as have the ability to absorb the shocks and vibrations generated by the hammering process. The forging process has been improved in recent years through increased automation, which includes induction heating, partial mechanical positioning and manipulation, and direct heat treatment of parts after forging.

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<sup>18</sup> Unless otherwise noted, this information is based on Investigation Nos. 731-TA-1463-1464 (Final): Forged Steel Fittings from India and Korea, USITC Publication 5137, November 2020, pp. I-15 – I-17, and Investigation No. 731-TA-1396 (Final): Forged Steel Fittings from Taiwan, USITC Publication 4823, September 2018, pp. I-12 – I-16.

**Figure I-5**  
**Closed-die forging process**



Source: Forging Industry Association, "Impression Die Forging Process Operations," <https://www.forging.org/impression-die-forging-process-operations>, retrieved October 3, 2023, descriptive text added by USITC staff.

Forging produces steel pieces that are stronger than an equivalent cast or machined part. As the metal is shaped during the forging process, its internal grain structure forms to follow the general shape of the part. As a result, the grain structure is continuous throughout the part, giving rise to a steel product with improved strength characteristics. Forgings generally have approximately a 20-percent higher strength-to-weight ratio compared to cast or machined parts of the same material.

### **Finishing operations**

After receipt of the rough forgings, a machining and assembly shop uses a line of metal-removal equipment, including turning, boring, milling, drilling, grinding, polishing and welding to complete the manufacture of FSFs (figure I-6). A range of coatings and treatments may be applied to protect the performance properties of the products. Certain products are assembled and adjusted by teams of trained personnel. All parts are labeled and documented to ensure their traceability, all the way back to the original input materials. The finished parts undergo rigorous quality and functionality tests before being washed, labeled, packed, and shipped.

**Figure I-6**  
**FSF: Rough (unfinished) and finished**



Source: *Forged Steel Fittings from Taiwan, Investigation No. 731-TA-1396 (Final)*, USITC Publication 4823, September 2018, p. I-15.

Note: The FSF on the left is unfinished and the fitting on the right is finished.

Most FSFs are forged but there are certain products within the scope of these investigations which are not forged (i.e., the raw material is not forged into a rough fitting shape prior to all other steps in the manufacturing process). The final shapes of these fittings do not require that they be forged into a rough shape prior to finishing. For example, a coupling can be produced from round bar or tube. Aside from the lack of forging, the steps taken to produce FSFs which are not forged are the same as the steps taken to produce FSFs that must be forged into shape prior to further manufacturing.

Producers that perform both the forging and the machining and finishing operations are considered to be integrated producers. There are other producers, “finishers” or “converters,” that acquire the rough forgings and only perform the machining and finishing operations.

## The industry in the United States

### U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from three firms, which accounted for the large majority of production of FSF in the United States during 2017. One of these producers was Anvil International, LLC (“Anvil”), now known as ASC Engineered Solutions (see below).<sup>19</sup>

In response to the Commission’s notice of institution in these current reviews, domestic interested parties provided a list of five known and currently operating U.S. producers of FSF. Two firms providing U.S. industry data in response to the Commission’s notice of institution accounted for approximately \*\*\* percent of production of FSF in the United States during 2022.<sup>20</sup>

### Recent developments

Table I-4 presents events in the U.S. industry since the Commission’s original investigations.<sup>21</sup>

**Table I-4**  
**FSF: Developments in the U.S. industry**

Item	Firm	Event
Merger	Anvil	In April 2019, Anvil merged with Smith-Cooper to become ASC Engineered Solutions. In 2021, they introduced the new name and brand, marking the transition to one company. ASC is majority owned by Tailwind Capital. Smith-Cooper is a designer of branded pipes, valves, and fittings.

Source: “Smith-Cooper International to Merge with Anvil International.” Businesswire, April 26, 2019, retrieved August 9, 2023. <https://www.businesswire.com/news/home/20190426005278/en/Smith-Cooper-International-to-Merge-with-Anvil-International>.

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<sup>19</sup> Original publication, p. III-1.

<sup>20</sup> Domestic interested parties’ response to the notice of institution, August 31, 2023, exhs. 1 and 6.

<sup>21</sup> For recent developments in tariff treatment, please see “U.S. tariff treatment” section.

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

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year reviews.<sup>22</sup> Table I-5 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations and subsequent five-year reviews.<sup>23</sup>

**Table I-5**  
**FSF: Trade and financial data submitted by U.S. producers, by period**

Quantity in short tons; value in 1,000 dollars; unit value in dollars per short ton; ratio in percent

Item	Measure	2015	2016	2017	2022
Capacity	Quantity	***	***	***	***
Production	Quantity	***	***	***	***
Capacity utilization	Ratio	***	***	***	***
U.S. shipments	Quantity	***	***	***	***
U.S. shipments	Value	***	***	***	***
U.S. shipments	Unit value	***	***	***	***
Net sales	Value	***	***	***	***
COGS	Value	***	***	***	***
COGS to net sales	Ratio	***	***	***	***
Gross profit or (loss)	Value	***	***	***	***
SG&A expenses	Value	***	***	***	***
Operating income or (loss)	Value	***	***	***	***
Operating income or (loss) to net sales	Ratio	***	***	***	***

Source: For the years 2015-17, data are compiled using data submitted in the Commission's original investigations. For the year 2022, data are compiled using data submitted by domestic interested parties. Domestic interested parties' supplemental response, November 1, 2023, Exhibit 1.

Note: For a discussion of data coverage, please see "U.S. producers" section.

<sup>22</sup> Individual company trade and financial data are presented in app. B.

<sup>23</sup> The Commission found that appropriate circumstances existed to exclude Anvil from the domestic industry because its principal interest appeared to be in the importation of subject merchandise. Anvil was the only domestic producer to report finishing-only operations. Therefore, trade and financial data for domestic producers during 2015-17 includes only integrated producers. Original publication, pp. 8, 10-11, and III-2.

## Definitions of the domestic like product and domestic industry

The domestic like product is defined as 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 defined as 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. Under the related parties' provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if "appropriate circumstances" exist.<sup>24</sup>

The domestic like product is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. In its original determinations, the Commission defined a single domestic like product consisting of forged steel fittings, coextensive with Commerce's scope.

The domestic industry is the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. In its original determinations, the Commission defined the domestic industry as all U.S. producers of the domestic like product, except Anvil. The Commission found that appropriate circumstances existed in its original determinations to exclude Anvil from the domestic industry as a related party. One Commissioner defined the domestic industry differently in the original determinations.<sup>25 26</sup>

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<sup>24</sup> Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

<sup>25</sup> 88 FR 50172, August 1, 2023.

<sup>26</sup> The domestic interested parties did not provide any information on Anvil or its successor entity's import activities during these current reviews and no relevant information from outside sources was found. Domestic interested parties' response to the notice of institution, August 31, 2023, exh. 1.

## U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 41 firms, which accounted for approximately \*\*\* percent of total U.S. imports of FSF from China, Italy, and Taiwan during 2017.<sup>27</sup> Import data presented in the original investigations are based on data submitted in response to Commission questionnaires.

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission's notice of institution, the domestic interested parties provided a list of 302 potential U.S. importers of FSF.<sup>28</sup>

## U.S. imports

Table I-6 presents the quantity, value, and unit value of U.S. imports from China, Italy, and Taiwan as well as the other top sources of U.S. imports (shown in descending order of 2022 imports by quantity).

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<sup>27</sup> Investigation Nos. 701-TA-589 and 731-TA-1394-1396 (Final): *Forged Steel Fittings from China, Italy, and Taiwan* — Revisions to the Staff Report INV-QQ-098, August 24, 2018, p. I-6.

<sup>28</sup> Domestic interested parties' response to the notice of institution, August 31, 2023, exhs. 1 and 8.



**Table I-6**  
**FSF: U.S. imports, by source and period**

Quantity in short tons; value in 1,000 dollars; unit value in dollars per short ton

U.S. imports from	Measure	2018	2019	2020	2021	2022
China	Quantity	29,670	20,574	11,037	17,067	18,130
Italy	Quantity	9,396	5,646	2,274	2,043	1,932
Taiwan	Quantity	1,442	1,490	1,311	1,698	1,940
Subject sources	Quantity	40,508	27,710	14,621	20,808	22,001
India	Quantity	9,978	14,163	4,589	4,635	9,478
South Korea	Quantity	7,344	6,184	1,882	3,026	8,031
Canada	Quantity	3,188	3,601	3,991	3,021	4,244
All other sources	Quantity	14,468	11,200	9,935	12,463	14,121
Nonsubject sources	Quantity	34,978	35,148	20,396	23,146	35,874
All import sources	Quantity	75,486	62,858	35,018	43,954	57,875
China	Value	143,306	113,637	60,001	101,715	123,685
Italy	Value	44,618	35,958	21,823	20,275	26,364
Taiwan	Value	9,740	9,961	9,215	12,409	17,188
Subject sources	Value	197,665	159,556	91,040	134,399	167,237
India	Value	38,117	48,381	20,442	24,049	51,873
South Korea	Value	42,448	35,019	11,494	16,474	40,933
Canada	Value	23,297	24,537	21,851	24,710	31,791
All other sources	Value	109,115	106,835	122,386	158,579	187,962
Nonsubject sources	Value	212,977	214,773	176,173	223,812	312,558
All import sources	Value	410,642	374,329	267,213	358,211	479,795
China	Unit value	4,830	5,523	5,437	5,960	6,822
Italy	Unit value	4,748	6,368	9,597	9,924	13,648
Taiwan	Unit value	6,756	6,684	7,031	7,308	8,861
Subject sources	Unit value	4,880	5,758	6,227	6,459	7,601
India	Unit value	3,820	3,416	4,454	5,188	5,473
South Korea	Unit value	5,780	5,663	6,108	5,443	5,097
Canada	Unit value	7,307	6,813	5,476	8,180	7,491
All other sources	Unit value	7,542	9,539	12,319	12,724	13,311
Nonsubject sources	Unit value	6,089	6,111	8,638	9,670	8,713
All import sources	Unit value	5,440	5,955	7,631	8,150	8,290

Source: Compiled from official Commerce statistics for HTS statistical reporting numbers 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060, accessed September 29, 2023. These data may be overstated as HTS statistical reporting numbers 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060 may contain products outside the scope of these reviews.

Note: Because of rounding, figure may not add to total shown.

## Cumulation considerations<sup>29</sup>

In assessing whether imports should be cumulated in five-year reviews, the Commission considers, among other things, whether there is a likelihood of a reasonable overlap of competition among subject imports and the domestic like product. Additional information concerning geographical markets and simultaneous presence in the market is presented below.<sup>30</sup>

Imports from China, Italy, and Taiwan were reported in 60 of the 60 months between 2018 and 2022. Imports from China, Italy, and Taiwan entered through northern, southern, eastern, western borders of entry in all years from 2018 through 2022. Most imports of FSF from China and Italy in 2018 through 2022 were entered through the southern border of entry (Houston-Galveston, Texas). Most imports of FSF from Taiwan in 2018 through 2022 were entered through the western border of entry (Los Angeles, California).

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<sup>29</sup> Unless otherwise noted, this information is based on official U.S. import statistics for HTS statistical reporting numbers 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060.

<sup>30</sup> In addition, available information concerning subject country producers and the global market is presented in the next section of this report.

## Apparent U.S. consumption and market shares

Table I-7 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

**Table I-7**  
**FSF: Apparent U.S. consumption and market shares, by source and period**

Quantity in short tons; value in 1,000 dollars; shares in percent

Source	Measure	2015	2016	2017	2022
U.S. producers	Quantity	***	***	***	***
China	Quantity	1,939	1,427	2,890	18,130
Italy	Quantity	1,739	1,267	1,677	1,932
Taiwan	Quantity	5,555	4,723	5,605	1,940
Subject sources	Quantity	9,233	7,417	10,172	22,001
Nonsubject sources	Quantity	***	***	***	35,874
All import sources	Quantity	***	***	***	57,875
Apparent U.S. consumption	Quantity	***	***	***	***
U.S. producers	Value	***	***	***	***
China	Value	5,560	4,458	8,798	123,685
Italy	Value	7,101	5,669	7,563	26,364
Taiwan	Value	27,478	23,061	27,720	17,188
Subject sources	Value	40,139	33,188	44,081	167,237
Nonsubject sources	Value	***	***	***	312,558
All import sources	Value	***	***	***	479,795
Apparent U.S. consumption	Value	***	***	***	***
U.S. producers	Share of quantity	***	***	***	***
China	Share of quantity	***	***	***	***
Italy	Share of quantity	***	***	***	***
Taiwan	Share of quantity	***	***	***	***
Subject sources	Share of quantity	***	***	***	***
Nonsubject sources	Share of quantity	***	***	***	***
All import sources	Share of quantity	***	***	***	***
U.S. producers	Share of value	***	***	***	***
China	Share of value	***	***	***	***
Italy	Share of value	***	***	***	***
Taiwan	Share of value	***	***	***	***
Subject sources	Share of value	***	***	***	***
Nonsubject sources	Share of value	***	***	***	***
All import sources	Share of value	***	***	***	***

Table continued.

Source: For the years 2015-17, data are compiled using data submitted in the Commission's original investigations. For the year 2022, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting numbers 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060, accessed September 29, 2023. These data may be overstated as HTS statistical reporting numbers 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060 may contain products outside the scope of these reviews.

Note: Share of quantity is the share of apparent U.S. consumption by quantity in percent; share of value is the share of apparent U.S. consumption by value in percent.

Note: For 2015-17, apparent U.S. consumption is derived from U.S. shipments of imports, rather than U.S. imports.

Note: For a discussion of data coverage, please see "U.S. producers" and "U.S. importers" sections.

## **The industry in China**

### **Producers in China**

During the original investigations, the Commission received foreign producer/exporter questionnaires from two firms, which accounted for approximately \*\*\* percent of production of FSF in China during 2017, and approximately \*\*\* percent of U.S. imports of FSF from China during 2017.<sup>31</sup>

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested parties provided a list of 30 possible producers of FSF in China.<sup>32</sup>

### **Recent developments**

There were no major developments in the Chinese industry since the imposition of the orders identified by interested parties in the proceeding and no relevant information from outside sources was found.

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<sup>31</sup> Original confidential report, p. VII-3.

<sup>32</sup> Domestic interested parties' response to the notice of institution, August 31, 2023, exh. 9.

## Exports

Table I-8 presents export data for other tube and pipe fittings of iron or steel, a category that includes FSF and out-of-scope products, from China (by export destination in descending order of quantity for 2022).

**Table I-8**  
**Other tube and pipe fittings of iron or steel: Quantity of exports from China, by destination and period**

Quantity in short tons

<b>Destination market</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
United States	97,610	68,112	57,134	71,630	63,900
South Korea	8,850	10,664	7,995	7,964	11,517
Canada	10,324	8,882	9,417	11,812	9,396
Brazil	3,038	4,593	6,271	7,035	7,304
Russia	6,792	12,646	11,200	9,810	6,976
Indonesia	5,424	9,391	4,660	4,965	5,644
Germany	5,325	7,013	4,998	5,013	5,251
Mexico	6,403	4,768	4,343	5,288	4,796
Japan	8,527	8,833	7,026	6,558	4,663
Vietnam	4,891	8,948	5,558	5,638	3,772
All other markets	136,186	150,771	120,530	115,157	90,175
All markets	293,370	294,622	239,131	250,870	213,394

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 7307.99, accessed September 25, 2023. These data may be overstated as HS subheading 7307.99 may contain products outside the scope of these reviews.

Note: Because of rounding, figures may not add to totals shown.

## **The industry in Italy**

### **Producers in Italy**

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from four firms, which accounted for the vast majority of production of FSF in Italy during 2017, and approximately \*\*\* percent of FSF exports from Italy to the United States during 2017.<sup>33</sup>

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested parties provided a list of six possible producers of FSF in Italy.<sup>34</sup>

### **Recent developments**

There were no major developments in the Italian industry since the imposition of the orders identified by interested parties in the proceeding and no relevant information from outside sources was found.

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<sup>33</sup> Original confidential report, p. VII-9.

<sup>34</sup> Domestic interested parties' response to the notice of institution, August 31, 2023, exh. 9.

## Exports

Table I-9 presents export data for other tube and pipe fittings of iron or steel, a category that includes FSF and out-of-scope products, from Italy (by export destination in descending order of quantity for 2022).

**Table I-9**  
**Other tube and pipe fittings of iron or steel: Quantity of exports from Italy, by destination and period**

Quantity in short tons

Destination market	2018	2019	2020	2021	2022
Germany	7,831	8,190	9,819	10,349	7,960
United States	9,717	5,401	4,063	3,949	4,931
Poland	3,421	3,624	3,857	4,990	4,592
France	4,834	4,090	3,608	4,131	3,536
United Kingdom	4,169	7,421	3,523	2,266	2,579
Sweden	1,537	975	1,098	1,651	1,823
Denmark	699	803	1,108	1,203	1,582
Czech Republic	2,127	1,618	2,650	1,563	1,334
Finland	885	873	715	1,254	1,271
Austria	1,639	1,402	1,223	1,475	1,266
All other markets	24,309	23,457	22,151	23,733	18,057
All markets	61,169	57,854	53,816	56,565	48,931

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 7307.99, accessed September 25, 2023. These data may be overstated as HS subheading 7307.99 may contain products outside the scope of these reviews.

Note: Because of rounding, figures may not add to totals shown.



## **The industry in Taiwan**

### **Producers in Taiwan**

During the original investigations, the Commission received foreign producer/exporter questionnaires from three firms, which accounted for approximately all overall production of FSF in Taiwan during 2017, and virtually all reported U.S. imports of FSF exports from Taiwan during 2017.<sup>35</sup>

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested parties provided a list of four possible producers of FSF in Taiwan.<sup>36</sup>

### **Recent developments**

There were no major developments in the Taiwanese industry since the imposition of the orders identified by interested parties in the proceeding and no relevant information from outside sources was found.

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<sup>35</sup> Original publication, pp. VII-10-11.

<sup>36</sup> Domestic interested parties' response to the notice of institution, August 31, 2023, exh. 9.

## Exports

Table I-10 presents export data for other tube and pipe fittings of iron or steel, a category that includes FSF and out-of-scope products, from Taiwan (by export destination in descending order of quantity for 2022).

**Table I-10**  
**Other tube and pipe fittings of iron or steel: Quantity of exports from Taiwan, by destination and period**

Quantity in short tons

<b>Destination market</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
United States	2,089	2,305	2,036	2,884	3,484
Canada	1,839	1,161	853	1,337	1,876
Japan	586	584	460	669	638
United Kingdom	326	328	195	163	560
United Arab Emirates	1,103	864	707	516	481
Germany	595	464	197	322	467
Australia	478	396	396	322	464
Philippines	128	184	98	261	453
Saudi Arabia	485	707	467	657	416
Egypt	168	239	166	233	358
All other markets	4,891	3,754	3,471	2,719	2,584
All markets	12,689	10,987	9,047	10,083	11,781

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 7307.99, accessed September 25, 2023. These data may be overstated as HS subheading 7307.99 may contain products outside the scope of these reviews.

Note: Because of rounding, figures may not add to totals shown.

## Third-country trade actions

The European Union imposed anti-dumping measures on certain imports of tube and pipe fittings of iron and steel (including certain FSF) from China in March 1996, and extended the measures to Taiwan due to circumvention in April 2000. Subsequent sunset reviews have received affirmative measures, with the last affirmative measure in January 2022. Imports of HS subheading 7307.99, excluding threaded imports, from China and Taiwan are subject to 58.6 percent duty rates in the EU.<sup>37</sup>

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<sup>37</sup> The product subject to the European Union orders is “tube or pipe fittings (other than cast fittings, flanges and threaded fittings), of iron or steel including stainless steel, with a greatest external diameter not exceeding 609,6 mm, of a kind used for butt welding or other purposes.” “Notice of initiation of an anti-dumping proceeding concerning imports of certain tube or pipe fittings, of iron or steel, originating in the People's Republic of China, Croatia, the Slovak Republic, Taiwan and Thailand,” European Commission, February 3, 1994, p. 1. Retrieved September 29, 2023, at [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOC\\_1994\\_035\\_R\\_0004\\_01&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOC_1994_035_R_0004_01&from=EN). “Semi-Annual Report Under Article 16.4 of the Agreement, European Union,” WTO, October 5, 2022, 8. Retrieved September 25, 2023, at <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/ADP/N370EU.pdf&Open=True>; “Semi-Annual Report Under Article 16.4 of the Agreement, European Union.” WTO, September 11, 2023, 15. Retrieved September 25, 2023, at <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/ADP/N384EU.pdf&Open=True>.

## The global market

Table I-11 presents global export data for other tube and pipe fittings of iron or steel, a category that includes FSF and out-of-scope products, (by source in descending order of quantity for 2022). China, Italy, Germany, India, and Poland were the leading exporters in 2022, accounting for 33 percent, 8 percent, 7 percent, 6 percent, and 5 percent, respectively, of total global exports. The top five exporters accounted for a combined 58 percent of global exports in 2022.

**Table I-11**  
**Other tube and pipe fittings of iron or steel: Quantity of global exports by country and period**

Quantity in short tons

Exporting country	2018	2019	2020	2021	2022
China	293,370	294,622	239,131	250,870	213,394
Italy	61,169	57,854	53,816	56,565	48,931
Germany	49,112	46,148	40,690	47,095	46,288
India	30,957	35,233	21,933	29,575	35,880
Poland	28,787	29,393	26,568	34,004	32,815
South Korea	34,334	29,723	20,293	23,144	29,755
United States	38,723	33,959	28,734	30,634	28,381
Singapore	10,729	15,652	12,621	11,912	14,835
Sweden	12,527	12,670	12,526	13,158	12,817
Mexico	12,949	12,936	12,274	14,859	12,724
All other exporters	267,376	202,061	282,608	184,227	171,462
All exporters	840,033	770,251	751,196	696,043	647,283

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 7307.99, accessed September 25, 2023. These data may be overstated as HS subheading 7307.99 may contain products outside the scope of these reviews.

Note: Because of rounding, figures may not add to total shown.

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



The Commission makes available notices relevant to its investigations and reviews on its website, [www.usitc.gov](http://www.usitc.gov). In addition, the following tabulation presents, in chronological order, Federal Register notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
88 FR 50110 August 1, 2023	<i>Initiation of Five-Year (Sunset) Reviews</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2023-08-01/pdf/2023-16282.pdf">https://www.govinfo.gov/content/pkg/FR-2023-08-01/pdf/2023-16282.pdf</a>
88 FR 50172 August 1, 2023	<i>Forged Steel Fittings from China, Italy, and Taiwan: Institution of Five-Year Reviews</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2023-08-01/pdf/2023-16188.pdf">https://www.govinfo.gov/content/pkg/FR-2023-08-01/pdf/2023-16188.pdf</a>





**APPENDIX B**  
**COMPANY-SPECIFIC DATA**



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**APPENDIX C**  
**SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS**



## Related Party Exclusion -- Combined

**Table C-3**

**FSF: Summary data concerning the U.S. market based on combining integrated U.S. producers and non-integrated U.S. finishers but then excluding one U.S. finisher Anvil, 2015-17, January to March 2017, and January to March 2018**

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year		2017	January to March		Calendar year			Jan-Mar
	2015	2016		2017	2018	2015-17	2015-16	2016-17	2017-18
<b>U.S. consumption quantity:</b>									
Amount.....	***	***	***	***	***	***	***	***	***
<b>Producers' share (fn1):</b>									
Included U.S. producers.....	***	***	***	***	***	***	***	***	***
Excluded U.S. producers.....	***	***	***	***	***	***	***	***	***
All U.S. producers.....	***	***	***	***	***	***	***	***	***
<b>Importers' share (fn1):</b>									
China.....	***	***	***	***	***	***	***	***	***
Italy.....	***	***	***	***	***	***	***	***	***
Taiwan.....	***	***	***	***	***	***	***	***	***
Subject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
All import sources.....	***	***	***	***	***	***	***	***	***
<b>U.S. consumption value:</b>									
Amount.....	***	***	***	***	***	***	***	***	***
<b>Producers' share (fn1):</b>									
Included U.S. producers.....	***	***	***	***	***	***	***	***	***
Excluded U.S. producers.....	***	***	***	***	***	***	***	***	***
All U.S. producers.....	***	***	***	***	***	***	***	***	***
<b>Importers' share (fn1):</b>									
China.....	***	***	***	***	***	***	***	***	***
Italy.....	***	***	***	***	***	***	***	***	***
Taiwan.....	***	***	***	***	***	***	***	***	***
Subject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
All import sources.....	***	***	***	***	***	***	***	***	***
<b>U.S. importers' U.S. shipments of imports from--</b>									
<b>China:</b>									
Quantity.....	1,939	1,427	2,890	***	***	49.0	(26.4)	102.5	***
Value.....	5,560	4,458	8,798	***	***	58.2	(19.8)	97.4	***
Unit value.....	\$2,867	\$3,124	\$3,044	***	***	6.2	8.9	(2.6)	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Italy:</b>									
Quantity.....	1,739	1,267	1,677	***	***	(3.6)	(27.1)	32.4	***
Value.....	7,101	5,669	7,563	***	***	6.5	(20.2)	33.4	***
Unit value.....	\$4,083	\$4,474	\$4,510	***	***	10.4	9.6	0.8	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Taiwan:</b>									
Quantity.....	5,555	4,723	5,605	***	***	0.9	(15.0)	18.7	***
Value.....	27,478	23,061	27,720	***	***	0.9	(16.1)	20.2	***
Unit value.....	\$4,947	\$4,883	\$4,946	***	***	(0.0)	(1.3)	1.3	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources:</b>									
Quantity.....	9,233	7,417	10,172	2,677	2,376	10.2	(19.7)	37.1	(11.2)
Value.....	40,139	33,188	44,081	11,175	11,615	9.8	(17.3)	32.8	3.9
Unit value.....	\$4,347	\$4,475	\$4,334	\$4,174	\$4,888	(0.3)	2.9	(3.2)	17.1
Ending inventory quantity.....	4,816	3,812	3,341	3,786	2,212	(30.6)	(20.8)	(12.4)	(41.6)
<b>Nonsubject sources:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>All import sources:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Integrated U.S. producers:</b>									
Average capacity quantity.....	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1).....	***	***	***	***	***	***	***	***	***
<b>Non-integrated U.S. finishers:</b>									
Average capacity quantity.....	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1).....	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-3--Continued

FSF: Summary data concerning the U.S. market based on combining integrated U.S. producers and non-integrated U.S. finishers but then excluding one U.S. finisher Anvil, 2015-17, January to March 2017, and January to March 2018

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to March		Calendar year			Jan-Mar
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
Combined U.S. producers' and finishers, but excluding related party Anvil:									
U.S. shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***	***	***	***
Hours worked (1,000s).....	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000).....	***	***	***	***	***	***	***	***	***
Hourly wages (dollars per hour).....	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS).....	***	***	***	***	***	***	***	***	***
Gross profit or (loss).....	***	***	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***	***	***
Operating income or (loss).....	***	***	***	***	***	***	***	***	***
Net income or (loss).....	***	***	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***	***	***
Unit COGS.....	***	***	***	***	***	***	***	***	***
Unit SG&A expenses.....	***	***	***	***	***	***	***	***	***
Unit operating income or (loss).....	***	***	***	***	***	***	***	***	***
Unit net income or (loss).....	***	***	***	***	***	***	***	***	***
COGS/sales (fn1).....	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***
Net income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Undefined.

fn3.--The quantity for U.S. producers' U.S. shipments reflects the quantity of merchandise both forged and finished in the United States; The value for U.S. producers' U.S. shipments at least conceptually, reflects the value of fittings produced in the United States plus the incremental value added by finishing operations both to domestically produced unfinished fittings and imported unfinished fittings, consistent with table C-1. However, de facto, as this table shows data excluding the related party Anvil and this company was the only responding entity to have reported finishing only operations, the data for U.S. producers excluding this company otherwise matches the data for integrated producers shown in table C-2. The overall U.S. consumption value, however, is consistent with the expanded valuation of the market as reported in table C-1, inclusive of the additional domestic value Anvil adds to imported fittings.

Source: Compiled from data submitted in response to Commission questionnaires.



**APPENDIX D**

**PURCHASER QUESTIONNAIRE RESPONSES**



As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it provided contact information for the following five firms as top purchasers of forged steel fittings: \*\*\*. Purchaser questionnaires were sent to these five firms and three firms \*\*\* provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for forged steel fittings that have occurred in the United States or in the market for forged steel fittings from China, Italy, and/or Taiwan since January 1, 2018?

Purchaser	Yes / No	Changes that have occurred
***	***	***
***	***	***
***	***	***

2. Do you anticipate any significant changes in the supply and demand conditions for forged steel fittings in the United States or in the market for forged steel fittings in China, Italy and/or Taiwan within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Yes / No</b>	<b>Anticipated changes</b>
***	***	***
***	***	***
***	***	***

