

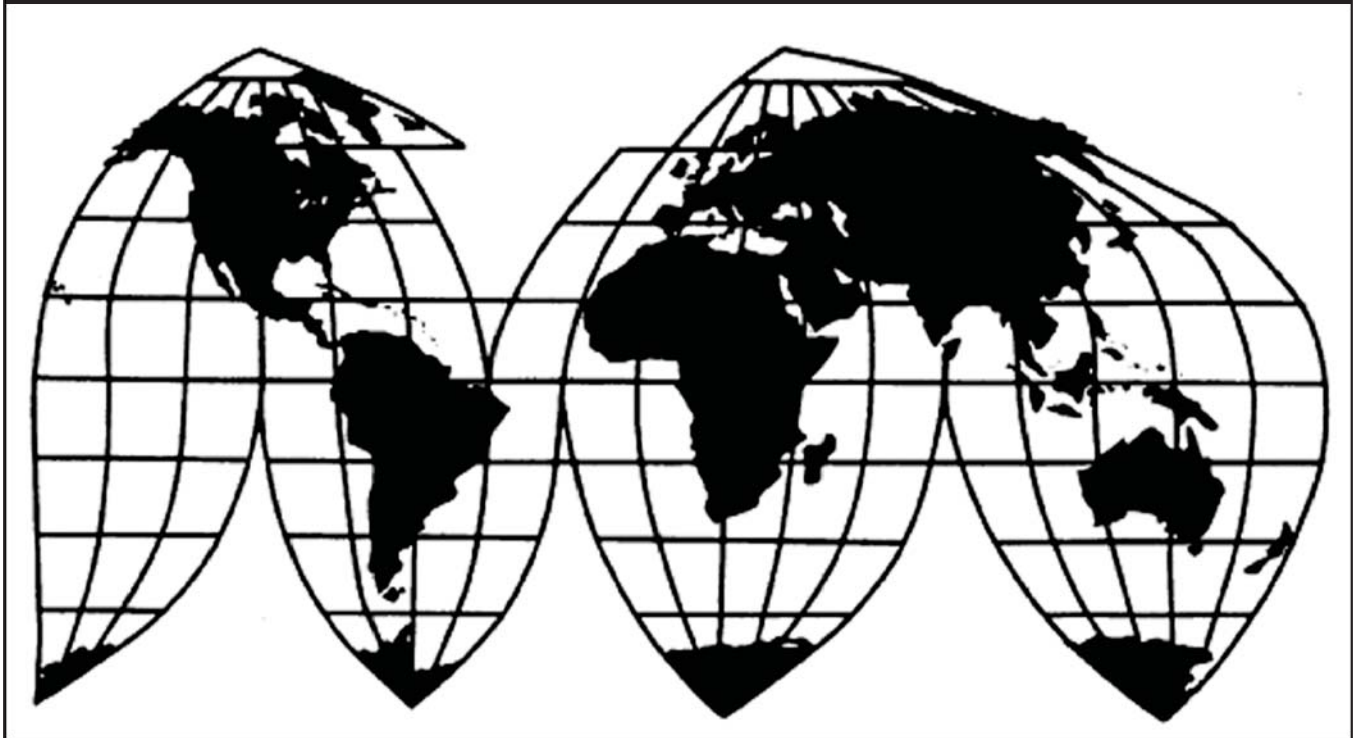
Stainless Steel Flanges from China

Investigation No. 731-TA-1383 (Final)

Publication 4807

July 2018

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1383 (Final)
Stainless Steel Flanges from China

DETERMINATION

On the basis of the record¹ developed in the subject investigation, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that an industry in the United States is materially injured by reason of imports of stainless steel flanges from China that have been found by the U.S. Department of Commerce (“Commerce”) to be sold in the United States at less than fair value (“LTFV”).²

BACKGROUND

The Commission instituted this investigation effective August 16, 2017, following receipt of a petition filed with the Commission and Commerce by the Coalition of American Flange Producers on behalf of itself and its individual members, Core Pipe Products, Inc., Carol Stream, Illinois, and Maass Flange Corporation, Houston, Texas. The Commission scheduled the final phase of the investigation following notification of a preliminary determination by Commerce that imports of stainless steel flanges from China were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. 1673b(b)). Effective January 23, 2018, the Commission established a general schedule for the conduct of the final phase of its investigations on stainless steel flanges from China and India,³ following preliminary determinations by Commerce that imports of the subject stainless steel flanges were subsidized by the governments of China and India. Notice of the scheduling of the final phase of the Commission’s investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of February 7, 2018 (83 FR 5459). The hearing was held in Washington, DC, on April 10, 2018, and all persons who requested the opportunity were permitted to appear in person or by counsel. The Commission subsequently issued its final affirmative determination regarding subsidized imports from China on May 29, 2018 (83 FR 25714, June 4, 2018). Following notification of a final determination by Commerce that imports of stainless steel flanges from China were being

¹ The record is defined in sec. 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR 207.2(f)).

² *Stainless Steel Flanges From the People’s Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 83 FR 26959, June 11, 2018.

³ *Stainless Steel Flanges from China and India: Scheduling of the Final Phase of Countervailing Duty and Antidumping Duty Investigations*, 83 FR 5459, February 7, 2018.

sold at LTFV within the meaning of section 735(a) of the Act (19 U.S.C. 1673d(a)),⁴ notice of the supplemental scheduling of the final phase of the Commission's antidumping duty investigation with respect to China was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of June 25, 2018 (83 FR 29568).

⁴ *Stainless Steel Flanges From the People's Republic of China: Final Affirmative Determination of Sales at Less than Fair Value*, 83 FR 26959, June 11, 2018.

Views of the Commission

Based on the record in the final phase of this investigation, we determine that an industry in the United States is materially injured by reason of imports of stainless steel flanges (“SS flanges”) from China found by the U.S. Department of Commerce (“Commerce”) to be sold in the United States at less than fair value (“LTFV”).

I. Background

The petition in this investigation was filed on August 16, 2017, by the Coalition of American Flange Producers on behalf of itself and its individual members, Maass Flange Corporation and Core Pipe Products, Inc., domestic producers of SS flanges. The petition in this antidumping duty investigation was filed on the same day as the petitions for the countervailing duty investigations concerning imports of SS flanges from China and India and the antidumping duty investigation concerning imports of SS flanges from India. The investigation schedules, however, became staggered when Commerce aligned only its final antidumping and countervailing duty investigations concerning SS flanges from India and postponed its final determinations regarding India, thereby necessitating earlier separate final determinations by the Commission in the antidumping and countervailing duty investigations concerning SS flanges from China.¹ The Commission previously made an affirmative material injury determination on the basis of cumulated subject imports from China and India in its countervailing duty investigation of SS flanges from China.²

Pursuant to the statutory provision on staggered investigations, the record for this antidumping duty investigation on SS flanges from China closed on May 3, 2018, the same time as that for the countervailing duty investigation on SS flanges from China (and the antidumping and countervailing duty investigations on SS flanges from India). The only additions to the record in this investigation, as permitted by the statute, were Commerce’s final antidumping duty determination on SS flanges from China and the parties’ final comments concerning that determination.³

II. Material Injury by Reason of Subject Imports

Section 771(7)(G)(iii) of the Tariff Act of 1930, as amended (“the Act”), provides that the Commission must make its material injury determination in the instant investigation on the basis of the same record as that in the countervailing duty investigation regarding imports from

¹ See *Stainless Steel Flanges from China and India: Scheduling of Final Phase of Countervailing Duty and Antidumping Duty Investigations*, 83 Fed. Reg. 5459 (February 7, 2018).

² *Stainless Steel Flanges from China*, Inv. No. 701-TA-585 (Final), USITC Pub. 4788 (May 2018) (“*SS Flanges China CVD Final Determination*”).

³ 19 U.S.C. § 1677(7)(G)(iii) and *SS Flanges China CVD Final Determination*, USITC Pub. 4788 at n.1.

China, except to the extent discussed above.⁴ Therefore, in this investigation, we adopt the findings and analyses in our determination and views concerning subsidized subject imports from China with respect to the issues of domestic like product, domestic industry, cumulation, conditions of competition, and material injury by reason of cumulated subject imports.⁵

Accordingly, we determine that the domestic industry producing stainless steel flanges is materially injured by reason of subject imports from China that Commerce determined were sold in the U.S. market at LTFV.^{6 7}

III. Conclusion

For the reasons stated above, we determine that an industry in the United States is materially injured by reason of imports of stainless steel flanges from China that are sold in the United States at LTFV.

⁴ 19 U.S.C. § 1677(7)(G)(iii).

⁵ *SS Flanges China CVD Final Determination*, USITC Pub. 4788.

⁶ Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible. 19 U.S.C. § 1677(24)(A)(i).

During the 12-month period prior to the filing of the petition, August 2016 through July 2017, subject imports from China accounted for 14.9 percent of the quantity of total imports of stainless steel flanges, which is above the 3 percent individual subject country statutory negligibility threshold applicable to antidumping duty investigations. *SS Flanges China CVD Final Determination*, USITC Pub. 4788 at IV-9-10 & Table IV-7. Accordingly, we find that the subject imports from China are not negligible.

⁷ The statute additionally instructs the Commission to consider the “magnitude of the margin of dumping” in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination, Commerce calculated antidumping duty margins of 257.11 percent for respondent Shanxi Guanjiaying Flange Forging Group, Co., Ltd., and 257.11 percent for the China-wide Entity. *Stainless Steel Flanges From the People’s Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 83 Fed. Reg. 26959 (June 11, 2018).

We have taken the magnitude of these dumping margins into account in our impact analysis, as well as other factors affecting domestic prices. Our analysis of the price effects of the subject imports, particularly significant underselling, as set out in *SS Flanges China CVD Final Determination*, is particularly probative to an assessment of the impact of subject imports. *SS Flanges China CVD Final Determination*, USITC Pub. 4788 at 27-30.

PART I: INTRODUCTION

BACKGROUND

These investigations result from petitions filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by Core Pipe Products, Inc. (“Core Pipe”), Carol Stream, Illinois, and Maass Flange Corporation (“Maass”), Houston, Texas, on August 16, 2017, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and less-than-fair-value (“LTFV”) imports of forged stainless steel flanges (“stainless steel flanges”)¹ from China and India. The following tabulation provides information relating to the background of these investigations.²

Effective date	Action
August 16, 2017	Petition filed with Commerce and the Commission; institution of Commission investigation (82 FR 39914, August 22, 2017)
September 11, 2017	Commerce’s notice of initiation of less-than-fair-value investigations (82 FR 42649, September 11, 2017)
September 11, 2017	Commerce’s notice of initiation of countervailing duty investigations (82 FR 42654, September 11, 2017)
October 2, 2017	Commission’s preliminary determinations (82 FR 46831, October 6, 2017)
January 23, 2018	Commerce’s preliminary CVD determination, for China (83 FR 3124, January 23, 2018)
January 23, 2018	Commerce’s preliminary CVD determination, and alignment of final CVD and AD determinations, for India (83 FR 3118, January 23, 2018)
January 23, 2018	Scheduling of final phase of Commission investigations (83 FR 5459, February 7, 2018)
March 28, 2018	Commerce’s preliminary LTFV determination, for China (83 FR 13244, March 28, 2018)
March 28, 2018	Commerce’s preliminary LTFV determination, for India (83 FR 13246, March 28, 2018)
April 10, 2018	Commission’s hearing

¹ Pertinent Federal Register notices are referenced in appendix A, and may be found at the Commission’s website (www.usitc.gov).

² Commerce did not align its final countervailing duty determination with its final antidumping duty determinations on imports of stainless steel flanges from China. It did, however, align its final countervailing duty determination on imports of stainless steel flanges from India with its final antidumping duty determination on imports of stainless steel flanges from India.

Effective date	Action
April 12, 2018	Commerce's final CVD determination, for China (83 FR 15790, April 12, 2018)
May 11, 2018	Commission's vote (China CVD)
May 29, 2018	Commission's views (China CVD)
June 11, 2018	Commerce's final LTFV determination for China (83 FR 26959, June 11, 2018)
June 20, 2018	Commission's supplemental schedule issued (China AD) (83 FR 29568, June 25, 2018)
July 13, 2018	Commission's vote (China AD)
July 25, 2018	Commission's determination and views (China AD)
TBD	Commerce's final LTFV determination for India (pending)
TBD	Commerce's final CVD determination for India (pending)

The information contained in this report is intended to be used in conjunction with data presented in the Commission's report on *Stainless Steel Flanges from China: Investigation No. 701-TA-585 (Final)*, USITC Publication 4788, May 2018 and its corresponding confidential version contained in memorandum No. INV-QQ-048, *Stainless Steel Flanges from China and India Investigation Nos. 701-TA-585-586 and 731-TA-1383-1384 (Final)* and revision memorandum INV-QQ-050. No new information except for Commerce's final determination concerning stainless steel flanges from China and party comments thereon is included in the record for this proceeding.³

³ The Commission only received comments from the petitioners, the Coalition of American Flange Producers, and its individual members, Core Pipe Products, Inc. and Mass Flange Corporation.

NATURE AND EXTENT OF SALES AT LTFV

On March 28, 2018, Commerce published a notice in the *Federal Register* of its preliminary determination of sales at less-than-fair-value (LTFV) with respect to imports from China.⁴

On June 11, 2018, Commerce published a notice in the *Federal Register* of its final determination of sales at LTFV with respect to stainless steel flanges from China.⁵

Table I-1 presents Commerce's dumping margins with respect to imports of stainless steel flanges from China.

Table I-1
Stainless steel flanges: Commerce's preliminary and final weighted-average LTFV margins with respect to imports from China

Country	Firm	Preliminary dumping margin (percent)	Final dumping margin (percent)
China	Shanxi Guanjiaying Flange Forging Group Co., Ltd	257.11	257.11
	China-Wide Entity	257.11	257.11

Source: 83 FR 26959, June 11, 2018.

⁴ *Stainless Steel Flanges From the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value*, 83 FR 13244, March 28, 2018.

⁵ *Stainless Steel Flanges From the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 83 FR 26959, June 11, 2018.

APPENDIX A

***FEDERAL REGISTER* NOTICES**

The Commission makes available notices relevant to its investigations and reviews on its website, 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
82 FR 39914, August 22, 2017	<i>Stainless Steel Flanges From China and India; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations</i>	https://www.gpo.gov/fdsys/pkg/FR-2017-08-22/pdf/2017-17743.pdf
82 FR 42649, September 11, 2017	<i>Stainless Steel Flanges From India and the People's Republic of China; Initiation of Less-Than-Fair-Value investigations</i>	https://www.gpo.gov/fdsys/pkg/FR-2017-09-11/pdf/2017-19294.pdf
82 FR 42654, September 11, 2017	<i>Stainless Steel Flanges From India and the People's Republic of China; Initiation of Countervailing Duty Investigations</i>	https://www.gpo.gov/fdsys/pkg/FR-2017-09-11/pdf/2017-19293.pdf
82 FR 46831, October 6, 2017	<i>Stainless Steel Flanges From China and India: Determinations</i>	https://www.gpo.gov/fdsys/pkg/FR-2017-10-06/pdf/2017-21547.pdf
83 FR 1025 January 9, 2018	<i>Stainless Steel Flanges From India and the People's Republic of China: Postponement of Preliminary Determinations in the Less-Than-Fair-Value Investigations</i>	https://www.gpo.gov/fdsys/pkg/FR-2018-01-09/pdf/2018-00189.pdf
83 FR 3124 January 23, 2018	<i>Countervailing Duty Investigation of Stainless Steel Flanges From the People's Republic of China: Preliminary Affirmative Determination</i>	https://www.gpo.gov/fdsys/pkg/FR-2018-01-23/pdf/2018-01145.pdf
83 FR 3118 January 23, 2018	<i>Stainless Steel Flanges From India: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative and Alignment of Final Determination With Final Antidumping Duty Determination</i>	https://www.gpo.gov/fdsys/pkg/FR-2018-01-23/pdf/2018-01146.pdf
83 FR 5459 February 7, 2018	<i>Stainless Steel Flanges From China and India Scheduling of the Final Phase of Countervailing Duty and Antidumping Duty Investigations</i>	https://www.gpo.gov/fdsys/pkg/FR-2018-02-07/pdf/2018-02438.pdf

Citation	Title	Link
83 FR 13246 March 28, 2018	<i>Stainless Steel Flanges From India: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, Postponement of Final Determination, and Extension of Provisional Measures</i>	https://www.gpo.gov/fdsys/pkg/FR-2018-03-28/pdf/2018-06152.pdf
83 FR 13244 March 28, 2018	<i>Stainless Steel Flanges From People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value</i>	https://www.gpo.gov/fdsys/pkg/FR-2018-03-28/pdf/2018-06153.pdf
83 FR 15790 April 12, 2018	<i>Countervailing Duty Investigation of Stainless Steel Flanges From the People's Republic of China: Final Affirmative Determination</i>	https://www.gpo.gov/fdsys/pkg/FR-2018-04-12/pdf/2018-07587.pdf
83 FR 26959 June 11, 2018	<i>Stainless Steel Flanges From People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value</i>	https://www.gpo.gov/fdsys/pkg/FR-2018-06-11/pdf/2018-12482.pdf
83 FR 29568 June 25, 2018	<i>Stainless Steel Flanges From China; Supplemental Schedule for the Subject Investigation</i>	https://www.gpo.gov/fdsys/pkg/FR-2018-06-25/pdf/2018-13557.pdf