Background

On November 29, 2016, the Department published the Preliminary Determination in the Federal Register.\(^1\) A summary of the events that occurred since the Department published the Preliminary Determination, as well as a full discussion of the issues raised by parties for this final determination, may be found in the accompanying Issues and Decision Memorandum.\(^2\) The Issues and Decision Memorandum is a public document, and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at http://access.trade.gov, and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at http://enforcement.trade.gov. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Scope Comments

In accordance with the Preliminary Determination, the Department set aside a period of time for parties to address scope issues in case briefs or other written comments on scope issues.\(^3\) In the Preliminary Determination, we did not modify the scope language as it appeared in the Initiation Notice.\(^4\) No interested party submitted scope comments in case or rebuttal briefs. However, the scope description that was published in the Initiation Notice and in the Preliminary Determination contained typographical errors, which have been corrected in the scope description provided in Appendix I of this notice.\(^5\) Other than the correction of typographical errors, the scope of this investigation remains unchanged for this final determination.

Scope of the Investigation

The products covered by this investigation are finished carbon steel flanges from India. For a complete description of the scope of the investigation, see “Scope of the Investigation,” in Appendix I of this notice.

Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation, and the issues raised in the case and rebuttal briefs submitted by the parties, are discussed in the Issues and Decision Memorandum. A list of the issues that parties raised, and to which we responded in the Issues and Decision Memorandum, is attached to this notice at Appendix II.

Verification

The Department conducted verification of the questionnaire responses submitted by the Government of India, USK Group, and RNG between January 30, and February 10, 2017.\(^6\)

Use of Adverse Facts Available

If necessary information is not available on the record, or an interested party withholds information, fails to provide requested information in a timely manner, significantly impedes a proceeding by not providing information, or information provided cannot be verified, the Department will apply facts available, pursuant to section 776(a)(1) & (2) of the Tariff Act of 1930, as amended (the Act). For purposes of this final determination, the Department relied, in part, on facts available. For USK Group Ltd. (Norma)\(^7\) and R.N. Gupta & Co. (RNG), we are basing certain countervailing duty rates on facts otherwise available. Further, because USK Group and RNG did not act to the best of their ability in this investigation by not providing necessary

816.5 or ASME B16.47 series A or series B. “The corrected scope description properly references these specifications at “ASME B16.5 or ASME B16.47 series A or series B.”

Notes:


2. Norma (India) Limited includes its cross-owned affiliates USK Exports Private Limited (USK), Uma Shanker Khandelwal & Co. (UMA), and Bansi Chiranjilal Chiranjilal (BDCCL) (collectively, USK Group). For further discussion, see the accompanying Issues and Decision Memorandum.
information requested by the Department, we determine that an adverse inference in selecting from the facts available is warranted with respect to certain countervailable subsidy programs, pursuant to section 776(b) of the Act. The Department has, therefore, relied, in part, on adverse facts available (AFA) in calculating the subsidy rates for both mandatory respondents.

Regarding USK Group, we determine that application of AFA is warranted with regard to one lending program for importing capital equipment. Concerning RNG, we determine that the application of AFA is warranted with regard to two programs, i.e., capital equipment purchases and export financing. Because the Government of India did not provide the requested information, as AFA, we find that each of the programs meet the financial contribution and specificity criteria outlined under sections 771(5)(D) and 771(5A) of the Act, respectively. As AFA, we also find that these subsidy programs confer a benefit under section 771(5)(E) of the Act and 19 CFR 351.319.

For further information on the Department’s application of AFA, as summarized above, see the section titled, “Use of Facts Otherwise Available and Adverse Inferences,” in the Issues and Decision Memorandum.

Changes Since the Preliminary Determination

Based on our analysis of the comments received from parties and the minor corrections presented, as well as additional items discovered at verification, we made certain changes to the respondent’s subsidy rate calculations set forth in the Preliminary Determination. For a discussion of these changes, see the Issues and Decision Memorandum and the Final Calculation Memoranda.10

Final Determination

In accordance with section 705(c)(1)(B)(i) of the Act, we calculated a rate for each exporter/producer of the subject merchandise individually investigated, i.e., Norma (India), Ltd. and R.N. Gupta & Co. In accordance with section 705(c)(5)(A) of the Act, for companies not individually investigated, we apply an “all-others” rate, which is normally calculated by weighting the subsidy rates of the individual companies selected as mandatory respondents by those companies’ exports of the subject merchandise to the United States. Under section 705(c)(5)(A)(i) of the Act, the “all-others” rate excludes zero and de minimis rates calculated for the exporters and producers individually investigated as well as rates based entirely on facts otherwise available. Where the rates for the individually investigated companies are all zero or de minimis, or determined entirely using facts otherwise available, section 705(c)(5)(A)(ii) of the Act instructs the Department to establish an “all-others” rate using “any reasonable method.” Where the countervailable subsidy rates for all of the individually investigated respondents are zero or de minimis or are based on total AFA, the Department’s practice, pursuant to 705(c)(5)(A)(ii), is to calculate the all others rate based on a simple average of the zero or de minimis margins and the margins based on total AFA.

Pursuant to section 705(c)(5)(A)(i) of the Act, we have calculated the “all-others” rate using the subsidy rates of the two individually investigated respondents. However, we have not calculated the “all-others” rate by weight-averaging the rates because doing so risks disclosure of proprietary information. Therefore, consistent with the Department’s practice, for the “all others” rate, we calculated a simple average of the two mandatory respondents’ subsidy rates.

The final subsidy rates are as follows:

<table>
<thead>
<tr>
<th>Exporter/producer</th>
<th>Subsidy rate (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norma (India), Ltd 12</td>
<td>5.66</td>
</tr>
<tr>
<td>R.N. Gupta &amp; Co</td>
<td>9.11</td>
</tr>
<tr>
<td>All-Others</td>
<td>7.39</td>
</tr>
</tbody>
</table>

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).


Continuation of Suspension of Liquidation

As a result of our Preliminary Determination, and pursuant to section 703(d) of the Act, we issued U.S. Customs and Border Protection (CBP) to suspend liquidation of any entries of merchandise under consideration from India that were entered or withdrawn from warehouse, for consumption, on or after November 29, 2016, which is the publication date in the Federal Register of the Preliminary Determination. Therefore, in accordance with section 703(d) of the Act, we issued instructions to CBP to suspend liquidation of all entries of steel flanges from India that are entered, or withdrawn from warehouse, for consumption, on or after November 29, 2017 through March 28, 2017. Additionally, we instructed CBP to discontinue the suspension of liquidation for countervailing duty purposes for subject merchandise entered, or withdrawn from warehouse, on or after March 29, 2017 in accordance with section 703(d)(3) of the Act.

If the U.S. International Trade Commission (ITC) issues a final affirmative injury determination, we will issue a countervailing duty order, instruct CBP to reinstate suspension of liquidation under section 706(a) of the Act, and will require a cash deposit of estimated countervailing duties for such entries of subject merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited as a result of the suspension of liquidation will be refunded or canceled.

U.S. International Trade Commission Notification

In accordance with section 705(d) of the Act, we will notify the U.S. International Trade Commission (ITC) of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of the Acting Assistant Secretary for Enforcement and Compliance.

Notification Regarding Administrative Protective Orders

This notice serves as a reminder to parties subject to an administrative
protective order (APO) of their responsibility concerning the
disposition of proprietary information
disclosed under APO in accordance
with 19 CFR 351.305(a)(3). Timely
written notification of the return or
destruction of APO materials, or
conversion to judicial protective order,
is hereby requested. Failure to comply
with the regulations and the terms of an
APO is a sanctionable violation.

Notification to Interested Parties

This determination is issued and
published pursuant to sections 705(d)
and 777(i)(1) of the Act and 19 CFR

Dated: June 23, 2017
Ronald K. Lorentzen,
Acting Assistant Secretary for Enforcement
and Compliance.

Appendix I

Scope of the Investigation

The scope of this investigation covers
finished carbon steel flanges. Finished
carbon steel flanges differ from unfinished carbon steel flanges (also known as carbon steel flange forgings) in that they have undergone further processing after forging, including, but not limited to, beveling, bore threading, center or step boring, face machining, taper boring, machining ends or surfaces, drilling bolt holes, and/or deliburring or shot blasting. Any one of these post-forging processes survives to render the forging into a finished carbon steel flange for purposes of this investigation. However, mere heat treatment of a carbon steel flange forging (without any further processing after forging) does not render the forging into a finished carbon steel flange for purposes of this investigation.

While these finished carbon steel flanges are generally manufactured to specification ASME B16.5 or ASME B16.47 series A or series B, the scope is not limited to flanges produced under those specifications. All types of finished carbon steel flanges are included in the scope regardless of pipe size (which may or may not be expressed in inches of nominal pipe size), pressure class (usually, but not necessarily, expressed in pounds of pressure, e.g., 150, 300, 400, 600, 900, 1500, 2500, etc.), type of face (e.g., flat face, full face, raised face, etc.), configuration (e.g., weld neck, slip on, socket weld, lap joint, threaded, etc.), wall thickness (usually, but not necessarily, expressed in inches), normalization, or whether or not heat treated. These carbon steel flanges either meet or exceed the requirements of the ASTM A105, ASTM A694, ASTM A181, ASTM A350 and
ASTM A707 standards (or comparable foreign specifications). The scope includes any flanges produced to the above-referenced ASTM standards as currently stated or as may be amended. The term "carbon steel" under this scope is steel in which: (a) Iron predominates, by weight, over each of the other contained elements: (b) The carbon content is 2 percent or less, by weight; and (c) none of the elements listed below exceeds the quantity, by weight, as indicated:

(i) 0.87 percent of aluminum;
(ii) 0.0105 percent of boron;
(iii) 10.10 percent of chromium;
(iv) 1.55 percent of columbium;
(v) 3.10 percent of copper;
(vi) 0.38 percent of lead;
(vii) 3.04 percent of molybdenum;
(viii) 2.05 percent of tungsten;
(ix) 15 percent of nickel;
(x) 1.55 percent of niobium;
(xi) 0.20 percent of nitrogen;
(xii) 0.21 percent of phosphorus;
(xii) 3.10 percent of silicon;
(xiv) 0.21 percent of sulfur;
(xv) 1.05 percent of vanadium;
(xvi) 4.06 percent of tungsten;
(xvii) 0.53 percent of vanadium; or
(xviii) 0.015 percent of zirconium.

Finished carbon steel flanges are currently classified under subheadings 7307.91.5010 and 7307.91.5070 of the Harmonized Tariff Schedule of the United States (HTSUS). They may also be entered under HTSUS subheadings 7307.91.5030 and 7307.91.5070. The HTSUS subheadings are provided for convenience and customs purposes; the written description of the scope is dispositive.

Appendix II

List of Topics Discussed in the Issues and
decision Memorandum

I. Summary
II. Background
III. Period of Investigation
IV. Scope Comments
V. Scope of the Investigation
VI. Subsidies Valuation Information
VII. Benmarks and Interest Rates
VIII. Use of Facts Otherwise Available and
Adverse Inferences
IX. Analysis of Programs
A. Programs Determined to be
Countervailable
B. Programs Determined to be Not Used
X. Discussion of the Issues
Comment 1: Whether the Department
Should Have Rejected the Government of
India’s Supplemental Questionnaire
Response
Comment 2: Whether the Duty Drawback
(DDB) Program Provides a
Countervailable Subsidy
Comment 3: Whether R.N. Gupta & Co.,
LTD (RNG) and USK Group Should
Report Duty Export Pass Book (DEPB)
Licenses During the Average Useful Life
(AUL) Period Prior to the Period of
Investigation (POI)
Comment 4: Whether USK Group and RNG
Received Benefits from Certain
Government of India Majority-Owned
Banks
Comment 5: Whether the Export Promotion
of Capital Goods Scheme (EPCGS)
Provides a Countervailable Subsidy and
Whether the EPCGS Used the Correct
Denominator for the Benefit Calculation of
Respondents
Comment 6: Whether to Apply Adverse
Facts Available (AFA) to Norma’s AUL
Sales Data
Comment 7: Whether to Apply AFA to
RNG’s Unaffiliated Indian Suppliers of
Subject Merchandise
Comment 8: Whether to Countervail Funds
Received by RNG Under the Focus
Product Scheme (FPS) During the POI
XI. Recommendation

DEPARTMENT OF COMMERCE

International Trade Administration

[A–475–835]

Finished Carbon Steel Flanges From
Italy: Final Determination of Sales at
Less Than Fair Value

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

SUMMARY: The Department of Commerce
(Department) determines that imports of
finished carbon steel flanges (flanges)
from Italy are being, or are likely to be,
sold in the United States at less than fair
value (LTFV). The final estimated
weighted-average dumping margins of
sales at LTFV are listed below in the
section entitled “Final Determination.”

The period of investigation is April 1,
2015, through March 31, 2016.

DATES: Effective June 29, 2017.

FOR FURTHER INFORMATION CONTACT:
Moses Song or Edythe Artman, AD/CVD
Operations, Office VI, Enforcement and
Compliance, International Trade
Administration, U.S. Department of
Commerce, 1401 Constitution Avenue
NW., Washington, DC 20230; telephone:
(202) 482–5041, or (202) 482–3931,
respectively.

SUPPLEMENTARY INFORMATION:

Background

On February 8, 2017, the Department
published the Preliminary Determination in the Federal Register.1

In the Preliminary Determination, we
postponed the final determination until
no later than 135 days after the date of
publication of the Preliminary
 Determination, in accordance with section
735(a)(2) of the Tariff Act of 1930, as amended (the Act).2

The petitioners in this investigation are
Weldbend Corporation and Boltest
Manufacturing Co., L.P. The two
mandatory respondents in this
investigation are: (1) Metalfar Prodotti
Industriali S.p.A. (Metalfar); and (2)
Officine Ambrogio Melesi & C. S.r.l.

1 See Finished Carbon Steel Flanges from Italy: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination, 82 FR 9711 (February 8, 2017) (Preliminary Determination), and accompanying Preliminary Decision Memorandum (PDM).

2 See Preliminary Determination, 82 FR at 9713.