DEPARTMENT OF COMMERCE
International Trade Administration
[A–570–067]
Forged Steel Fittings From the People’s Republic of China: Affirmative Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that forged steel fittings from the People’s Republic of China (China) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is April 1, 2017, through September 30, 2017. Interested parties are invited to comment on this preliminary determination.


SUPPLEMENTARY INFORMATION:

Background

Commerce initiated this investigation on October 25, 2017. On February 2, 2018, Commerce postponed the preliminary determination of this investigation. Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through 22, 2018. The revised deadline for the preliminary determination of this investigation is now May 7, 2018.

For a complete description of the events that followed the initiation of this investigation, see the Preliminary Determination Memorandum for the Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, “Deadlines Affected by the Shutdown of the Federal Government” (Tolling Memorandum), dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by 3 days.
Decision Memorandum. A list of topics included in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary 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 https://access.trade.gov, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at http://enforcement.trade.gov/frn/. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Investigation

The products covered by this investigation are forged steel fittings from China. For a complete description of the scope of this investigation, see the “Scope of the Investigation,” in Appendix I.

Scope Comments

In accordance with the preamble to Commerce’s regulations, the Initiation Notice set aside a period of time for parties to raise issues regarding product coverage (i.e., scope). Certain interested parties commented on the scope of the investigation as it appeared in the Initiation Notice. On March 7, 2018, Commerce issued a Preliminary Scope Decision Memorandum making certain preliminary revisions to the scope based on the comments received. Commerce received additional scope comments following the issuance of the Preliminary Scope Decision Memorandum, and based on those comments, made certain additional preliminary revisions to the scope. For a summary of the additional comments received, and Commerce’s preliminary analysis and decision with respect to them, see the Second Preliminary Scope Decision Memorandum. See also the revised scope in Appendix I to this notice.

Methodology

Commerce is conducting this investigation in accordance with section 731 of the Tariff Act of 1930, as amended (the Act). Commerce has calculated export prices in accordance with section 772(a) of the Act. Because China is a non-market economy, within the meaning of section 771(18) of the Act, Commerce has calculated normal values (NV) in accordance with section 773(c) of the Act. In addition, pursuant to section 776(a) and (b) of the Act, Commerce preliminarily has relied upon facts otherwise available, with adverse inferences, for the China-wide entity, including the single entity comprising Jiangsu Haida Pipe Fittings Group Company Ltd., its affiliated producer Haida Pipe Co., Ltd., and its affiliated reseller Yancheng L&W International Co., Ltd. For a full description of the methodology underlying Commerce’s analysis, see the Preliminary Decision Memorandum.

Combination Rates

In the Initiation Notice, Commerce stated that it would calculate producer/exporter combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.

Preliminary Determination

Commerce preliminarily determines that the following weighted-average dumping margins exist:

<table>
<thead>
<tr>
<th>Exporter</th>
<th>Producer</th>
<th>Estimated weighted-average dumping margin (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dalian Guangming Pipe Fittings Co., Ltd</td>
<td>Yancheng Haohui Pipe Fittings Co., Ltd</td>
<td>7.42</td>
</tr>
<tr>
<td>Dalian Guangming Pipe Fittings Co., Ltd</td>
<td>Yancheng Manda Pipe Industry Co., Ltd</td>
<td>7.42</td>
</tr>
<tr>
<td>Dalian Guangming Pipe Fittings Co., Ltd</td>
<td>Yancheng Boyue Tube Co., Ltd</td>
<td>7.42</td>
</tr>
<tr>
<td>Ningbo Save Technology Co., Ltd</td>
<td>Yancheng L&amp;W International Co., Ltd</td>
<td>7.42</td>
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<td>7.42</td>
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<tr>
<td>Q.C. Witness International Co., Ltd</td>
<td>Cixi Baicheng Hardware Tools Ltd</td>
<td>7.42</td>
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<tr>
<td>Q.C. Witness International Co., Ltd</td>
<td>Yancheng Boyue Tube Co., Ltd</td>
<td>7.42</td>
</tr>
<tr>
<td>Q.C. Witness International Co., Ltd</td>
<td>Yancheng Jiuwei Pipe Fittings Co., Ltd</td>
<td>7.42</td>
</tr>
</tbody>
</table>

4 See Memorandum, “Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value Investigation of Forged Steel Fittings from the People’s Republic of China,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).


6 See Initiation Notice, 82 FR at 50615.


8 See Memorandum, “Second Preliminary Scope Decision Memorandum,” dated concurrently with this notice (Second Preliminary Scope Decision Memorandum).

9 The revised scope language also applies to the companion countervailing duty investigation of forged steel fittings from China.

10 See Initiation Notice at 50618.

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act and 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the estimated weighted-average dumping margin as follows: (1) For the producer/exporter combinations listed in the table above, the cash deposit rate is equal to the estimated weighted-average dumping margin listed for that combination in the table; (2) for all combinations of Chinese producers/exporters of merchandise under consideration that have not established eligibility for their own separate rates, the cash deposit rate will be equal to the estimated weighted-average dumping margin established for the China-wide entity; and (3) for all third-county exporters of merchandise under consideration not listed in the table above, the cash deposit rate is the cash deposit rate applicable to the Chinese producer/exporter combination (or the China-wide entity) that supplied that third-country exporter.

To determine the cash deposit rate, Commerce normally adjusts the estimated weighted-average dumping margin by the amount of domestic subsidy pass-through and export subsidies determined in a companion CVD proceeding when CVD provisional measures are in effect. Accordingly, where Commerce makes a preliminary affirmative determination for domestic subsidy pass-through or export subsidies, Commerce offsets the calculated estimated weighted-average dumping margin by the appropriate rate(s). In this case, we have not made a preliminary affirmative determination for domestic subsidy pass-through or export subsidies. Therefore, we are not adjusting the estimated weighted-average dumping margin for these subsidies.

These suspension of liquidation instructions will remain in effect until further notice.

Disclosure

Commerce intends to disclose to interested parties the calculations performed in conjunction with this preliminary determination within five days of its public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify information relied upon in making its final determination.

Public Comment

Case briefs regarding non-scope issues may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last verification report is issued in this investigation, or on a date established by the Secretary, as appropriate. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.

Additionally, case briefs regarding scope issues may be submitted within 10 days after the date of publication of this notice in the Federal Register. Rebuttal briefs regarding scope issues, limited to those issues which are raised in the scope case briefs, may be submitted no later than five days after the deadline date for scope case briefs. All scope case and rebuttal briefs must be filed identically on the records of this investigation and the concurrent AD and CVD investigations of forged steel fittings. Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs on any issues raised in this proceeding are encouraged to submit with each argument: (1) A statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), parties who wish to request a hearing, limited to issues raised in the non-scope case and rebuttal briefs and/or scope case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce. Any hearing request for scope issues must be filed electronically using ACCESS. An electronically-filed request must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time, within 30 days after the date of publication of this notice. Requests should contain the party’s name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S.

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13 See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).
make its final determination no later than 135 days after the date of publication of this preliminary determination.

**International Trade Commission Notification**

In accordance with section 733(f) of the Act, we are notifying the U.S. International Trade Commission (ITC) of our affirmative preliminary determination of sales at LTFV. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

**Notification to Interested Parties**

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

**Gary Taverner,**
Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

**Appendix I—Scope of the Investigation**

The merchandise covered by this investigation 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 manufactured to specifications ASME B16.11, MSS SP–79, MSS SP–83, MSS SP–97, ASTM A105, ASTM A350, and ASTM A182.

In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because: (1) The preliminary determination is affirmative; (2) the requesting exporter accounts for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, Commerce is postponing the final determination and extending the provisional measures from a four-month period to a period not greater than six months.

Accordingly, Commerce will

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15 Bonney Forge Corporation and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW) (collectively, the petitioners).
DEPARTMENT OF COMMERCE
International Trade Administration

Preliminary Results.

Background

The subject merchandise is the following alloy magnesium metal products made from primary and/or secondary magnesium including, without limitation, magnesium cast into ingots, slabs, rounds, billets, and other shapes; magnesium ground, chipped, crushed, or machined into rasping, granules, turnings, chips, powder, briquettes, and other shapes; and products that contain 50 percent or greater, but less than 99.8 percent, by weight, and that have been entered into the United States as conforming to an “ASTM Specification for Magnesium Alloy” \(^2\) and are thus outside the scope of the existing antidumping order on magnesium from China (generally referred to as “alloy” magnesium).

The scope of this order excludes: (1) All forms of pure magnesium, including chemical combinations of magnesium and other material(s) in which the pure magnesium content is 50 percent or greater, but less than 99.8 percent, by weight, that do not conform to an “ASTM Specification for Magnesium Alloy” \(^3\); (2) magnesium that is in liquid or molten form; and (3) mixtures containing 90 percent or less magnesium in granular or powder form by weight and one or more of certain non-magnesium granular materials to make magnesium-based reagent mixtures, including lime, calcium metal, calcium silicon, calcium carbide, calcium carbonate, carbon, slag coagulants, fluorospar, nepheline syenite, feldspar, alumina (Al2O3), calcium aluminate, soda ash, hydrocarbons, graphite, coke, silicon, rare earth metals/mischmetal, cryolite, silica/fly ash, magnesium oxide, periclase, ferroalloys, dolomite lime, and colemanite.\(^4\)

The meaning of this term is the same as that used by the American Society for Testing and Materials in its Annual Book for ASTM Standards: Volume 01.02 Aluminum and Magnesium Alloys.


This third exclusion for magnesium-based reagent mixtures is based on the exclusion for reagent mixtures in the 2000–2001 investigations of magnesium from China, Israel, and Russia. See

The product covered by this antidumping duty order is magnesium metal from China, which includes primary and secondary alloy magnesium metal, regardless of chemistry, raw material source, form, shape, or size. Magnesium is a metal or alloy containing by weight primarily the element magnesium. Primary magnesium is produced by decomposing raw materials into magnesium metal. Secondary magnesium is produced by recycling magnesium-based scrap into magnesium metal. The magnesium covered by this order includes blends of primary and secondary magnesium.

The subject merchandise includes the following alloy magnesium metal products made from primary and/or secondary magnesium including, without limitation, magnesium cast into ingots, slabs, rounds, billets, and other shapes; magnesium ground, chipped, crushed, or machined into rasping, granules, turnings, chips, powder, briquettes, and other shapes; and products that contain 50 percent or greater, but less than 99.8 percent, by weight, and that have been entered into the United States as conforming to an “ASTM Specification for Magnesium Alloy” \(^2\) and are thus outside the scope of the existing antidumping order on magnesium from China (generally referred to as “alloy” magnesium).

The scope of this order excludes: (1) All forms of pure magnesium, including chemical combinations of magnesium and other material(s) in which the pure magnesium content is 50 percent or greater, but less than 99.8 percent, by weight, that do not conform to an “ASTM Specification for Magnesium Alloy” \(^3\); (2) magnesium that is in liquid or molten form; and (3) mixtures containing 90 percent or less magnesium in granular or powder form by weight and one or more of certain non-magnesium granular materials to make magnesium-based reagent mixtures, including lime, calcium metal, calcium silicon, calcium carbide, calcium carbonate, carbon, slag coagulants, fluorospar, nepheline syenite, feldspar, alumina (Al2O3), calcium aluminate, soda ash, hydrocarbons, graphite, coke, silicon, rare earth metals/mischmetal, cryolite, silica/fly ash, magnesium oxide, periclase, ferroalloys, dolomite lime, and colemanite.\(^4\)

The meaning of this term is the same as that used by the American Society for Testing and Materials in its Annual Book for ASTM Standards: Volume 01.02 Aluminum and Magnesium Alloys.


This third exclusion for magnesium-based reagent mixtures is based on the exclusion for reagent mixtures in the 2000–2001 investigations of magnesium from China, Israel, and Russia. See

The merchandise subject to this order is classifiable under items 8104.19.00, and 8104.30.00 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS items are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

Final Determination of No Shipments

In the Preliminary Results, Commerce determined that TMI and TMM had no shipments of the subject merchandise, and, therefore, no reviewable transactions, during the POR.\(^3\) As we have not received any information to contradict our preliminary finding, we determine that TMI and TMM did not have any shipments of subject merchandise during the POR and intend to issue appropriate instructions that are consistent with our “automatic assessment” clarification, for these final results.\(^6\)

Assessment Rates

Commerce determined, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with section 751a(2)(C) of the Act and 19 CFR 351.212(b). Commerce intends to issue assessment instructions to CBP 15 days after the date of publication of the final results of this review.

Additionally, consistent with the Commerce’s refinement to its assessment practice in non-market economy cases, for TMI and TMM, exporters under review, which we determined had no shipments of the subject merchandise during the POR, any suspended entries of subject merchandise from these companies (i.e., made under TMI’s case number at TMI’s rate or made under TMM’s name) will be liquidated at the China-wide rate.\(^7\)

Cash Deposit Requirements

The following cash deposit requirements will be effective upon

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\(^2\) The meaning of this term is the same as that used by the American Society for Testing and Materials in its Annual Book for ASTM Standards: Volume 01.02 Aluminum and Magnesium Alloys.

\(^3\) The material is already covered by existing antidumping orders. See Notice of Antidumping Duty Orders: Pure Magnesium from the People’s Republic of China, the Russian Federation and Ukraine: Notice of Amended Final Determination of Sales at Less Than Fair Value: Antidumping Duty Investigation of Pure Magnesium from the Russian Federation, 60 FR 25691 (May 12, 1995); and Antidumping Duty Order: Pure Magnesium in Granular Form from the People’s Republic of China, 66 FR 57936 (November 19, 2001).

\(^4\) This third exclusion for magnesium-based reagent mixtures is based on the exclusion for reagent mixtures in the 2000–2001 investigations of magnesium from China, Israel, and Russia. See

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Final Determination of Sales at Less Than Fair Value: Pure Magnesium in Granular Form from the People’s Republic of China, 66 FR 49345 (September 27, 2001); Final Determination of Sales at Less Than Fair Value: Pure Magnesium from Israel, 66 FR 49349 (September 27, 2001); Final Determination of Sales at Not Less Than Fair Value: Pure Magnesium from the Russian Federation, 66 FR 49347 (September 27, 2001). These mixtures are not magnesium alloys, because they are not combined in liquid form and cast into the same ingot.

\(^5\) See Preliminary Results, 83 FR at 790.

\(^6\) See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties, 76 FR 65694 (October 24, 2011) (Assessment Notice); see also “Assessment Rates” section below.

\(^7\) For a full discussion of this practice, see Assessment Notice.