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New Antidumping and Countervailing Duty Petitions on Stainless Steel Flanges from China and India

By Douglas J. Heffner and Richard P. Ferrin

The Coalition of American Flange Producers and its individual members, Core Pipe Products, Inc. and Maass Flange Corporation, on August 16, 2017, filed antidumping (AD) and countervailing duty (CVD) petitions on stainless steel flanges from China and India.

The U.S. AD law imposes special tariffs to counteract imports that are sold in the United States at less than “normal value.” The U.S. CVD law imposes special tariffs to counteract imports that are sold in the United States with the benefit of foreign government subsidies. For AD/CVD duties to be imposed, the U.S. government must determine not only that dumping and/or subsidies are occurring, but also that there is “material injury” (or threat thereof) by reason of the dumped and/or subsidized imports. Importers are liable for any potential AD/CVD duties imposed. In addition, these investigations could impact purchasers by increasing prices and/or decreasing supply of stainless steel flanges.

Scope

The products covered by this investigation are certain forged stainless steel flanges, whether unfinished, semi-finished, or finished, generally manufactured to the material specification of AST/ASME A/SA182, and made into alloy such as, but not limited to, 304, 304L, 316, and 316L (or combinations thereof). The scope includes six general types of flanges. They are: (1) weld neck, used in butt-weld line connection; (2) threaded, used for threaded line connections; (3) slip-on, used to slide over pipe; (4) lap joint, used with stub-ends/butt-weld line connections; (5) socket weld, used to fit pipe into a machine recession; and (6) blind, used to seal off a line. The sizes and descriptions of the flanges within the scope include all pressure classes of ASME B16.5 and range from one-half inch to twenty-four inches nominal pipe size. Specifically excluded from the scope of these orders are cast stainless steel flanges. Cast stainless steel flanges generally are manufactured to specification ASTM A351.

Unfinished stainless steel flanges possess the approximate shape of finished stainless steel flanges and have not yet been machined to final specification after the initial casting, forging, or like operations. These machining processes may include boring, facing, spot facing, drilling, tapering, threading, beveling, heating, or compressing.

The country of origin for certain forged stainless steel flanges, whether unfinished, semi-finished, or finished is the country in which the flange was forged. Subject merchandise includes stainless steel flanges as defined above that have been further processed in a third country, including but not limited to processing such as boring, facing, spot facing, drilling, tapering, threading, beveling, heating, or compressing, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the stainless steel flanges.

Merchandise subject to the investigation is typically imported under headings 7307.21.1000 and 7307.21.5000 of the Harmonized Tariff Schedule of the United States (HTS). While HTS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.

Alleged Dumping Margins

For China, the petitioners allege dumping margins ranging from 79.93 percent to 216.96 percent. For India, the petitioners allege dumping margins ranging from 70.78 percent to 131.64 percent.

Estimated Schedule of Investigations

- August 16, 2017 – Petition is filed
- September 5, 2017 – DOC initiates investigation
- September 6, 2017 – ITC staff conference (estimated)
- September 30, 2017 – Deadline for ITC preliminary injury determination
- November 9, 2017 – Deadline for DOC preliminary CVD determinations, if deadlines are not postponed
- January 16, 2018 – Deadline for DOC preliminary CVD determinations, if deadlines are fully postponed
- January 23, 2018 – Deadline for DOC preliminary AD determinations, if deadlines are not postponed

- March 14, 2018– Deadline for DOC preliminary AD determinations, if deadlines are fully postponed
- July 27, 2018 – Deadline for DOC final AD and CVD determinations, if both preliminary and final AD determinations are fully postponed and CVD determination is aligned

- September 10, 2018 – Deadline for ITC final injury determination, assuming fully postponed DOC deadlines

For further information, contact Douglas J. Heffner, Richard P. Ferrin, or any other member of the Customs and International Trade Team.

Customs and International Trade Team

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