

withdrawal from, for consumption, during the period January 1, 2015, through December 31, 2015, in accordance with 19 CFR 351.212(c)(1)(i). The Department intends to issue appropriate assessment instructions to CBP 15 days after the publication of this notice in the **Federal Register**.

#### Notification Regarding Administrative Protection Order

This notice serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction 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 the conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This notice is published in accordance with section 751 of the Act and 19 CFR 351.213(d)(4).

Dated: September 1, 2017.

**Gary Taverman,**

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

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-533-877, A-570-064]

#### Stainless Steel Flanges From India and the People's Republic of China: Initiation of Less-Than-Fair-Value Investigations

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

**DATES:** Effective September 11, 2017.

**FOR FURTHER INFORMATION CONTACT:** Annatheia Cook at (202) 482-0250 (India) and Kenneth Hawkins at (202) 482-6491 (the People's Republic of China), AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW., Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

##### The Petitions

On August 16, 2017, the U.S. Department of Commerce (the

Department) received antidumping duty (AD) Petitions concerning imports of stainless steel flanges from India and the People's Republic of China (PRC), filed in proper form on behalf of the Coalition of American Flange Producers and its individual members, Core Pipe Products, Inc. and Maass Flange Corporation (collectively, the petitioners).<sup>1</sup> The AD Petitions were accompanied by countervailing duty (CVD) Petitions concerning imports of stainless steel flanges from India and the PRC. The petitioners are domestic producers of stainless steel flanges.<sup>2</sup>

On August 18 and 21, 2017, the Department requested supplemental information pertaining to certain areas of the Petitions.<sup>3</sup> The petitioners filed responses to these requests on August 22, 2017.<sup>4</sup> The petitioners filed revised scope language on August 30, 2017.<sup>5</sup>

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioners allege that imports of stainless steel flanges from India and the PRC are likely to be sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing stainless steel flanges in the United States. Also, consistent with section 732(b)(1) of the Act, the Petitions are accompanied by information reasonably available to the petitioners supporting their allegations.

The Department finds that the petitioners filed these Petitions on

behalf of the domestic industry because the petitioners are interested parties as defined in sections 771(9)(C) and (F) of the Act. The Department also finds that the petitioners demonstrated sufficient industry support with respect to the initiation of the AD investigations that the petitioners are requesting.<sup>6</sup>

#### Periods of Investigation

Because the Petitions were filed on August 16, 2017, the period of investigation (POI) for the investigation for India is July 1, 2016, through June 30, 2017. Because the PRC is a non-market economy (NME) country, the POI for this investigation is January 1, 2017, through June 30, 2017.

#### Scope of the Investigations

The products covered by these investigations are stainless steel flanges from India and the PRC. For a full description of the scope of these investigations, see the "Scope of the Investigations," in the Appendix to this notice.

#### Comments on Scope of the Investigations

During our review of the Petitions, the Department issued questions to, and received responses from, the petitioners pertaining to the proposed scope to ensure that the scope language in the Petitions would be an accurate reflection of the products for which the domestic industry is seeking relief.<sup>7</sup>

As discussed in the preamble to the Department's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (scope).<sup>8</sup> The Department will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determinations. If scope comments include factual information,<sup>9</sup> all such factual information should be limited to public information. To facilitate preparation of its questionnaires, the Department requests all interested parties to submit such comments by 5:00 p.m. Eastern Time (ET) on Monday, September 25, 2017, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on Thursday, October 5, 2017, which is 10

<sup>1</sup> See Letter to the Secretary of Commerce re: "Stainless Steel Flanges from the People's Republic of China and India: Petitions for the Imposition of Antidumping and Countervailing Duties" (August 16, 2017) (the Petitions).

<sup>2</sup> See Volume I of the Petitions, at 2.

<sup>3</sup> See Letters from the Department, to the petitioners, dated August 18, 2017.

<sup>4</sup> See Letter from the petitioners, "Re: Stainless Steel Flanges from the People's Republic of China and India: Supplement to the Petitions for the Imposition of Antidumping and Countervailing Duties—Response to the Department's Supplemental Questions, Volume I Relating to Common Issues and Injury;" (August 22, 2017) (General Issues Supplement); see also Stainless Steel Flanges from the People's Republic of China and India: Supplement to the Petitions for the Imposition of Antidumping and Countervailing Duties—Response to the Department's Supplemental Questions, Volume IV Relating to India AD Supplemental Response; and Stainless Steel Flanges from the People's Republic of China and India: Supplement to the Petitions for the Imposition of Antidumping and Countervailing Duties—Response to the Department's Supplemental Questions, Volume II Relating to China (PRC AD Supplemental Response). All of these documents are dated August 22, 2017.

<sup>5</sup> See Letter from the petitioners, "Stainless Steel Flanges from the People's Republic of China and India: Supplement to the Petitions for the Imposition of Antidumping and Countervailing Duties—Revision to Scope," dated August 30, 2017 (Scope Supplement).

<sup>6</sup> See the "Determination of Industry Support for the Petitions" section, below.

<sup>7</sup> See Attachment to the Scope Supplement.

<sup>8</sup> See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

<sup>9</sup> See 19 CFR 351.102(b)(21) (defining "factual information").

calendar days from the initial comments deadline.<sup>10 11</sup>

The Department requests that any factual information the parties consider relevant to the scope of the investigations be submitted during this time period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be relevant, the party may contact the Department and request permission to submit the additional information. All such comments must be filed on the records of each of the concurrent AD and CVD investigations.

### Filing Requirements

All submissions to the Department must be filed electronically using Enforcement and Compliance's Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS).<sup>12</sup> An electronically filed document must be received successfully in its entirety by the time and date it is due. Documents exempted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Enforcement and Compliance's APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 1401 Constitution Avenue NW., Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

### Comments on Product Characteristics for AD Questionnaires

The Department will provide interested parties an opportunity to comment on the appropriate physical characteristics of stainless steel flanges to be reported in response to the Department's AD questionnaires. This information will be used to identify the key physical characteristics of the merchandise under consideration in order to report the relevant costs of production accurately as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: (1) General product characteristics and (2) product-comparison criteria. We note that it is not always appropriate to use all product characteristics as product-comparison criteria. We base product-comparison criteria on meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe stainless steel flanges, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, all product characteristics comments must be filed by 5:00 p.m. ET on September 25, 2017. Any rebuttal comments must be filed by 5:00 p.m. ET on October 5, 2017. All comments and submissions to the Department must be filed electronically using ACCESS, as explained above, on the records of India and the PRC less-than-fair-value investigations.

### Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) At least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) Poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine

industry support using a statistically valid sampling method to poll the "industry."

Section 771(4)(A) of the Act defines the "industry" as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether "the domestic industry" has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product,<sup>13</sup> they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.<sup>14</sup>

Section 771(10) of the Act defines the 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 title." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation" (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the Petitions).

With regard to the domestic like product, the petitioners do not offer a definition of the domestic like product distinct from the scope of the investigations. Based on our analysis of the information submitted on the record, we have determined that stainless steel flanges, as defined in the scope, constitute a single domestic like product, and we have analyzed industry support in terms of that domestic like product.<sup>15</sup>

<sup>10</sup> See 19 CFR 351.303(b).

<sup>11</sup> See *Notice of Clarification: Application of "Next Business Day" Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005).

<sup>12</sup> See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011); see also *Enforcement and Compliance; Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014) for details of the Department's electronic filing requirements, which went into effect on August 5, 2011. Information on help using ACCESS can be found at <https://access.trade.gov/help.aspx> and a handbook can be found at <https://access.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

<sup>13</sup> See section 771(10) of the Act.

<sup>14</sup> See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff'd* 865 F.2d 240 (Fed. Cir. 1989)).

<sup>15</sup> For a discussion of the domestic like product analysis as applied to these cases and information regarding industry support, see *Antidumping Duty Investigation Initiation Checklist: Stainless Steel Flanges from India* (India AD Initiation Checklist), at Attachment II, "Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Stainless Steel Flanges from India and the People's Republic of China" (Attachment II); see also *Antidumping Duty Investigation Initiation Checklist: Stainless Steel Flanges from the People's Republic of China* (PRC AD Initiation Checklist), at Attachment II. These checklists are dated

In determining whether the petitioners have standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the "Scope of the Investigations," in the Appendix to this notice. The petitioners provided their own 2016 production of the domestic like product, and compared this to the estimated total production of the domestic like product for the entire domestic industry.<sup>16</sup> We relied on data the petitioners provided for purposes of measuring industry support.<sup>17</sup>

Our review of the data provided in the Petitions, General Issues Supplement, and other information readily available to the Department indicates that the petitioners have established industry support for the Petitions.<sup>18</sup> First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (*e.g.*, polling).<sup>19</sup> Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product.<sup>20</sup> Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions.<sup>21</sup> Accordingly, the Department determines that the Petitions were filed on behalf of the

domestic industry within the meaning of section 732(b)(1) of the Act.

The Department finds that the petitioners filed the Petitions on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C) and (F) of the Act and they have demonstrated sufficient industry support with respect to the AD investigations that they are requesting that the Department initiate.<sup>22</sup>

#### **Allegations and Evidence of Material Injury and Causation**

The petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (NV). In addition, the petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.<sup>23</sup>

The petitioners contend that the industry's injured condition is illustrated by reduced market share; underselling and price suppression or depression; lost sales and revenues; and declining financial performance.<sup>24</sup> We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.<sup>25</sup>

#### **Allegations of Sales at Less Than Fair Value**

The following is a description of the allegations of sales at less than fair value upon which the Department based its decision to initiate AD investigations of imports of stainless steel flanges from India and the PRC. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in greater detail in the country-specific initiation checklists.

#### **Export Price**

For India, the petitioners based the U.S. price on export price (EP) using sales of stainless steel flanges produced in and exported from India to an unaffiliated U.S. customer.<sup>26</sup> For the

PRC, the petitioners based U.S. price on EP using price quotes for sales of stainless steel flanges produced in and exported from the PRC to unaffiliated U.S. customers.<sup>27</sup> Where applicable, the petitioners made deductions from U.S. price for movement and other expenses, consistent with the terms of sale.<sup>28</sup>

#### **Normal Value**

For India, the petitioners provided home market price information for stainless steel flanges produced in, and sold or offered for sale in India.<sup>29</sup> The petitioners provided a declaration establishing the terms of sale.<sup>30</sup> Because the prices were provided on an ex-works basis, the petitioners did not make any deductions.<sup>31</sup>

With respect to the PRC, the petitioners stated that the Department has found this country to be a non-market economy (NME) country in prior administrative proceedings in which they were involved.<sup>32</sup> In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the PRC has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, NV in the PRC is appropriately based on factors of production (FOPs) valued in a surrogate market economy country, in accordance with section 773(c) of the Act.<sup>33</sup> In the course of this investigation, all parties, and the public, will have the opportunity to provide relevant information related to the granting of separate rates to individual exporters.

The petitioners claim that Thailand is an appropriate surrogate country for the PRC, because it is a market economy country that is at a level of economic development comparable to that of the PRC, it is a significant producer of comparable merchandise, and public information from Thailand is available to value all material input factors.<sup>34</sup> Based on the information provided by the petitioners, we determine that it is appropriate to use Thailand as a surrogate country for initiation purposes.

Interested parties will have the opportunity to submit comments regarding surrogate country selection

concurrently with this notice and on file electronically via ACCESS. Access to documents filed via ACCESS is also available in the Central Records Unit, Room B8024 of the main Department of Commerce building.

<sup>16</sup> See Volume I of the Petitions, at 2–3 and Exhibit I–3; see also General Issues Supplement, at 6–7.

<sup>17</sup> *Id.* For further discussion, see India AD Initiation Checklist and PRC AD Initiation Checklist, at Attachment II.

<sup>18</sup> See India AD Initiation Checklist and PRC AD Initiation Checklist, at Attachment II.

<sup>19</sup> See section 732(c)(4)(D) of the Act; see also India AD Initiation Checklist and PRC AD Initiation Checklist, at Attachment II.

<sup>20</sup> See India AD Initiation Checklist and PRC AD Initiation Checklist, at Attachment II.

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> See Volume I of the Petitions, at 19–20 and Exhibit I–8.

<sup>24</sup> See Volume I of the Petitions, at 9–32 and Exhibits I–4, I–8, and I–10.

<sup>25</sup> See PRC AD Initiation Checklist, at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Stainless Steel Flanges from the People's Republic of China and India (Attachment III); and India AD Initiation Checklist, at Attachment III.

<sup>26</sup> See India AD Initiation Checklist.

<sup>27</sup> See PRC AD Initiation Checklist.

<sup>28</sup> See PRC AD Initiation Checklist and India AD Initiation Checklist.

<sup>29</sup> See India AD Initiation Checklist.

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> See Volume II of the Petitions, at 10–11.

<sup>33</sup> See PRC AD Initiation Checklist.

<sup>34</sup> See Volume II of the Petitions at 13–20 and Exhibit AD–CH–21.

and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value FOPs no later than 30 days before the scheduled date of the preliminary determination.

### Factors of Production

Because information regarding the volume of inputs consumed by the PRC producers/exporters is not available, the petitioners relied on the production experience of a domestic producer of stainless steel flanges in the United States as an estimate of PRC manufacturers' FOPs.<sup>35</sup> The petitioners valued the estimated FOPs using surrogate values from Thailand.<sup>36</sup> Additionally, for the surrogate values denominated in Thai Baht, the petitioners converted Thai Baht prices into U.S. Dollars using the average exchange rate obtained from the Department.<sup>37</sup>

### Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of stainless steel flanges from the PRC and India are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP to NV in accordance with sections 772 and 773 of the Act, the estimated dumping margins for stainless steel flanges for each of the countries covered by this initiation are as follows: (1) PRC—99.23 to 257.11 percent;<sup>38</sup> and (2) India—78.49 to 145.25<sup>39</sup> percent.

### Initiation of Less-Than-Fair-Value Investigations

Based upon the examination of the AD Petitions, we find that the Petitions meet the requirements of section 732 of the Act. Therefore, we are initiating AD investigations to determine whether imports of stainless steel flanges from the PRC and India are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

Under the Trade Preferences Extension Act of 2015, numerous

amendments to the AD and CVD law were made.<sup>40</sup> The 2015 law does not specify dates of application for those amendments. On August 6, 2015, the Department published an interpretative rule, in which it announced the applicability dates for each amendment to the Act, except for amendments contained in section 771(7) of the Act, which relate to determinations of material injury by the ITC.<sup>41</sup> The amendments to sections 771(15), 773, 776, and 782 of the Act are applicable to all determinations made on or after August 6, 2015, and, therefore, apply to these AD investigations.<sup>42</sup>

### Respondent Selection

The petitioners named 43 companies in India as producers/exporters of stainless steel flanges.<sup>43</sup> Following standard practice in AD investigations involving market economy countries, in the event the Department determines that the number of companies in India identified above is large, the Department intends to review U.S. Customs and Border Protection (CBP) data for U.S. imports of stainless steel flanges during the POI under the appropriate Harmonized Tariff Schedule of the United States subheadings, and if it determines that it cannot individually examine each company based upon the Department's resources, then the Department will select respondents based on that data.

On August 31, 2017, the Department released CBP data under Administrative Protective Order (APO) to all parties with access to information protected by APO and indicated that interested parties wishing to comment regarding the CBP data and respondent selection must do so within three business days of the publication date of the notice of initiation of this AD investigation.<sup>44</sup> The Department will not accept rebuttal comments regarding the CBP data or respondent selection. Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on the Department's Web site at <http://>

[enforcement.trade.gov/apo](http://enforcement.trade.gov/apo). Comments for this investigation must be filed electronically using ACCESS. An electronically-filed document must be received successfully in its entirety by the Department's electronic records system, ACCESS, by 5:00 p.m. ET, by the date noted above. We intend to finalize our decision regarding respondent selection within 20 days of publication of this notice.

With respect to the PRC, the petitioners named 80 producers/exporters of stainless steel flanges from the PRC.<sup>45</sup> In accordance with our standard practice for respondent selection in AD cases involving NME countries, we intend to issue quantity and value (Q&V) questionnaires to producers/exporters of merchandise subject to this investigation and, if necessary, base respondent selection on the responses received. For this NME investigation, the Department will request Q&V information from known exporters and producers identified with complete contact information in the Petitions. In addition, the Department will post the Q&V questionnaires along with filing instructions on Enforcement and Compliance's Web site at <http://www.trade.gov/enforcement/news.asp>.

Producers/exporters of stainless steel flanges from the PRC that do not receive Q&V questionnaires by mail may still submit a response to the Q&V questionnaire and can obtain a copy of the Q&V questionnaire from Enforcement & Compliance's Web site. The Q&V response must be submitted by the relevant PRC exporters/producers no later than 5:00 p.m. ET on September 19, 2017. All Q&V responses must be filed electronically via ACCESS.

### Separate Rates

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate application.<sup>46</sup> The specific requirements for submitting a separate-rate application in the PRC investigations

<sup>45</sup> Though the petitioners listed 84 "known producers of stainless steel flanges from the PRC" in Volume I of the Petition at Exhibit I-7, they clarified in the Supplement Response to Volume I of the Petitions at 1 and Exhibit I-Supp-2 that "publicly available information {shows} that Vinox Manufacturing Co., Ltd and Yih Kuang Metal Corp. have manufacturing facilities in China. At this time, the petitioners do not have information indicating that the other Taiwanese entities are affiliated with producers or exporters in China. Accordingly, the petitioners have removed these entities from the revised list of foreign producers and exporters."

<sup>46</sup> See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation Involving Non-Market Economy Countries (April 5, 2005), available at <http://enforcement.trade.gov/policy/bull05-1.pdf> (Policy Bulletin 05.1).

<sup>35</sup> See Volume II of the Petitions at 13–14 and Exhibit AD-CH-19.

<sup>36</sup> See Volume II of the Petitions at 1, 10 and Exhibit AD-CH-21.

<sup>37</sup> See Volume II of the Petitions at 17 and Exhibit AD-CH-20; see also PRC AD Supplemental Response, at 4–5 and Exhibits AD-CH-Supp-6, AD-CH-Supp-8, and AD-CH-Supp-9.

<sup>38</sup> See PRC AD Initiation Checklist.

<sup>39</sup> See India AD Initiation Checklist.

<sup>40</sup> See Trade Preferences Extension Act of 2015, Pub. L. 114–27, 129 Stat. 362 (2015).

<sup>41</sup> See *Dates of Application of Amendments to the Antidumping and Countervailing Duty Laws Made by the Trade Preferences Extension Act of 2015*, 80 FR 46793 (August 6, 2015).

<sup>42</sup> *Id.* at 46794–95. The 2015 amendments may be found at <https://www.congress.gov/bill/114th-congress/house-bill/1295/text/pl>.

<sup>43</sup> See India AD Supplemental Response, at Exhibit I-Supp-2.

<sup>44</sup> See Memorandum, "Stainless Steel Flanges from India Antidumping Duty Petition: Release of Customs Data from U.S. Customs and Border Protection," dated, August 31, 2017.

are outlined in detail in the application itself, which is available on the Department's Web site at <http://enforcement.trade.gov/nme/nme-separate.html>. The separate-rate application will be due 30 days after publication of this initiation notice.<sup>47</sup> Exporters and producers who submit a separate-rate application and have been selected as mandatory respondents will be eligible for consideration for separate-rate status only if they timely respond to all parts of the Department's AD questionnaire as mandatory respondents. The Department requires that companies from the PRC submit a response to both the Q&V questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. Companies not filing a timely Q&V response will not receive separate-rate consideration.

#### Use of Combination Rates

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME Investigation will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.<sup>48</sup>

#### Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the governments of the PRC and India via ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petitions to each

exporter named in the Petitions, as provided under 19 CFR 351.203(c)(2).

#### ITC Notification

We will notify the ITC of our initiation, as required by section 732(d) of the Act.

#### Preliminary Determinations by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, whether there is a reasonable indication that imports of stainless steel flanges from the PRC and India, are materially injuring or threatening material injury to a U.S. industry.<sup>49</sup> A negative ITC determination for any country will result in the investigation being terminated with respect to that country.<sup>50</sup> Otherwise, these investigations will proceed according to statutory and regulatory time limits.

#### Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) Evidence submitted in response to questionnaires; (ii) Evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by the Department; and (v) evidence other than factual information described in (i)–(iv). 19 CFR 351.301(b) requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted<sup>51</sup> and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.<sup>52</sup> Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to submitting factual information in these investigations.

#### Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it

is filed after the expiration of the time limit established under 19 CFR 351.301. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in the letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Parties should review *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), available at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>, prior to submitting factual information in these investigations.

#### Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.<sup>53</sup> Parties are hereby reminded that revised certification requirements are in effect for company/government officials, as well as their representatives.<sup>54</sup> Investigations initiated on the basis of petitions filed on or after August 16, 2013, and other segments of any AD or CVD proceedings initiated on or after August 16, 2013, should use the formats for the revised certifications provided in 19 CFR 351.303(g). The Department intends to reject factual submissions if the submitting party does not comply with applicable revised certification requirements.

#### Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, the Department published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in these investigations should ensure

<sup>53</sup> See section 782(b) of the Act.

<sup>54</sup> See *Certification of Factual Information to Import Administration during Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*); see also frequently asked questions regarding the *Final Rule*, available at [http://enforcement.trade.gov/tlei/notices/factual\\_info\\_final\\_rule\\_FAQ\\_07172013.pdf](http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf).

<sup>47</sup> Although in past investigations this deadline was 60 days, consistent with 19 CFR 351.301(a), which states that "the Secretary may request any person to submit factual information at any time during a proceeding," this deadline is now 30 days.

<sup>48</sup> See Policy Bulletin 05.1 at 6 (emphasis added).

<sup>49</sup> See section 773(a) of the Act.

<sup>50</sup> *Id.*

<sup>51</sup> See 19 CFR 351.301(b).

<sup>52</sup> See 19 CFR 351.301(b)(2).

that they meet the requirements of these procedures (e.g., the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

This notice is issued and published pursuant to sections 732(c)(2) and 777(i) of the Act, and 19 CFR 351.203(c).

Dated: September 5, 2017.

**Gary Taverman,**

*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

### Scope of the Investigations

The products covered by these investigations are certain forged stainless steel flanges, whether unfinished, semi-finished, or finished (certain forged stainless steel flanges). Certain forged stainless steel flanges are generally manufactured to, but not limited to, the material specification of ASTM/ASME A/SA182 or comparable domestic or foreign specifications. Certain forged stainless steel flanges are made in various grades such as, but not limited to, 304, 304L, 316, and 316L (or combinations thereof). The term “stainless steel” used in this scope refers to an alloy steel containing, by actual weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements.

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 forging or like operations. These machining processes may include, but are not limited to, boring, facing, spot facing, drilling, tapering, threading, beveling, heating, or compressing. Semi-finished stainless steel flanges are unfinished stainless steel flanges that have undergone some machining processes.

The scope includes six general types of flanges. They are: (1) Weld neck, generally used in butt-weld line connection; (2) threaded, generally used for threaded line connections; (3) slip-on, generally used to slide over pipe; (4) lap joint, generally used with stub-ends/butt-weld line connections; (5) socket weld, generally used to fit pipe into a machine recession; and (6) blind, generally 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.

The country of origin for certain forged stainless steel flanges, whether unfinished, semi-finished, or finished is the country where the flange was forged. Subject merchandise includes stainless steel flanges as defined above that have been further processed in a third country. The processing includes, but is not limited to, boring, facing, spot facing, drilling, tapering, threading, beveling, heating, or compressing, and/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 investigations is typically imported under headings 7307.21.1000 and 7307.21.5000 of the Harmonized Tariff Schedule of the United States (HTSUS). While HTSUS subheadings and ASTM specifications are provided for convenience and customs purposes, the written description of the scope is dispositive.

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-533-878; C-570-065]

### **Stainless Steel Flanges From India and the People's Republic of China: Initiation of Countervailing Duty Investigations**

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

**DATES:** Effective September 11, 2017.

**FOR FURTHER INFORMATION CONTACT:** Kabir Archuleta at (202) 482-2593; Carrie Bethea at (202) 482-1491 (the People's Republic of China); Ryan Mullen at (202) 482-5260 (India), AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW., Washington, DC 20230.

### **SUPPLEMENTARY INFORMATION:**

#### **The Petitions**

On August 16, 2017, the U.S. Department of Commerce (the Department) received countervailing duty (CVD) Petitions concerning imports of stainless steel flanges from India and the People's Republic of China (the PRC), filed in proper form on behalf of the Coalition of American Flange Producers and its individual members, Core Pipe Products, Inc., and Maass Flange Corporation (collectively “the petitioners”). The CVD Petitions were accompanied by antidumping duty (AD) Petitions concerning imports of stainless steel flanges from both of the countries listed above.<sup>1</sup> The petitioners are domestic producers of stainless steel flanges.<sup>2</sup>

On August 18, 2017, the Department requested supplemental information

pertaining to certain areas of the Petitions.<sup>3</sup> The petitioners filed responses to these requests on August 22, 2017.<sup>4</sup> The petitioners filed revised scope language on August 22, 2017.<sup>5</sup>

In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (the Act), the petitioners allege that the Governments of India and the PRC are providing countervailable subsidies, within the meaning of sections 701 and 771(5) of the Act, to imports of stainless steel flanges from India and the PRC, respectively, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing stainless steel flanges in the United States. Also, consistent with section 702(b)(1) of the Act, for those alleged programs on which we are initiating a CVD investigation, the Petitions are accompanied by information reasonably available to the petitioners supporting their allegations.

The Department finds that the petitioners filed these Petitions on behalf of the domestic industry because the petitioners are interested parties as defined in sections 771(9)(C) and (F) of the Act. The Department also finds that the petitioners demonstrated sufficient industry support with respect to the

<sup>3</sup> See Letter to the petitioners from the Department, “Petition for the Imposition of Countervailing Duties on Imports of Stainless Steel Flanges from India: Supplemental Questions” (August 18, 2017) (India CVD Supplemental Questionnaire); *see also* Letter from the Department, “Petition for the Imposition of Antidumping and Countervailing Duties on Imports of Stainless Steel Flanges from India and the People's Republic of China: Supplemental Questions” (August 28, 2017) (General Issues Supplemental Questionnaire); *see also* Letter to the petitioners from the Department “Petition for the Imposition of Countervailing Duties on Imports of Stainless Steel Flanges from the People's Republic of China: Supplemental Questions” (August 18, 2017) (PRC CVD Supplemental Questionnaire).

<sup>4</sup> See Letter to the Secretary of Commerce from the petitioners, “Stainless Steel Flanges from the People's Republic of China and India: Supplement to the Petitions for the Imposition of Antidumping and Countervailing Duties—Response to the Department's Supplemental Questions, Volume V Relating to India,” (August 22, 2017) (India CVD Supplement); *see also* Letter to the Secretary of Commerce from the petitioners, “Stainless Steel Flanges from the People's Republic of China and India: Supplement to the Petitions for the Imposition of Antidumping and Countervailing Duties—Response to the Department's Supplemental Questions, Volume I Relating to Common Issues and Injury (August 22, 2017) (General Issues Supplement); *see also* Letter to the Secretary of Commerce from the petitioners, “Stainless Steel Flanges from the People's Republic of China and India: Supplement to the Petitions for the Imposition of Antidumping and Countervailing Duties—Response to the Department's Supplemental Questions, Volume III Relating to China,” (August 22, 2017) (PRC CVD Supplement).

<sup>5</sup> See General Issues Supplement at Exhibit I-Supp.5.

<sup>1</sup> See Letter to the Secretary of Commerce from the petitioner re: “Stainless Steel Flanges from the People's Republic of China and India: Petitions for the Imposition of Antidumping and Countervailing Duties” (August 16, 2017) (the Petitions).

<sup>2</sup> *Id.*, Volume I of the Petitions, at 1 and Exhibit I-1.