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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-067, A-475-839, and A-583-863]

Forged Steel Fittings from the People's Republic of China, Italy, and Taiwan: Initiation of Less-Than-Fair-Value Investigations

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

DATES: Applicable October 25, 2017.

FOR FURTHER INFORMATION CONTACT: Irene Gorelik at (202) 482-6905 or Robert Palmer at (202) 482-9068 (Taiwan), Katherine Johnson at (202) 482-4929 or Renato Barreda at (202) 482-0317 (the People's Republic of China (PRC)), and Denisa Ursu at (202) 482-2285 or Michael Bowen at (202) 482-0768 (Italy), 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 October 5, 2017, the U.S. Department of Commerce (the Department) received antidumping duty (AD) Petitions concerning imports of forged steel fittings from the People's Republic of China (PRC), Italy, and Taiwan, filed in proper form, on behalf of Bonney Forge Corporation and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW) (collectively, the petitioners).[1] The

[1] *See* Letter to the Secretary of Commerce re: "Petitions for the Imposition of Antidumping and Countervailing Duties: Forged Steel Fittings from the People's Republic of China, Italy, and Taiwan" (October 5, 2017) (the Petitions).

AD Petitions were accompanied by a countervailing duty (CVD) Petition concerning imports of forged steel fittings from the PRC. The petitioners are domestic producers of forged steel fittings and a certified union that represents workers who produce forged steel fittings.[2]

On October 6 and 10, 2017, the Department requested supplemental information pertaining to certain areas of the Petitions.[3] The petitioners filed responses to these supplemental questions on October 11, 2017.[4] The Department also issued second supplemental questionnaires with regard to general issues in Volume I of the Petition and for issues specific to the PRC and Italy AD petitions.[5] The petitioners filed their second supplemental response regarding the PRC and Italy AD petitions on October 17, 2017 and second supplemental response regarding general issues on October 18, 2017.[6] Petitioners also filed a revised scope on October 19, 2017.[7]

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[2] *See* Volume I of the Petitions at 2 and 4.

[3] *See* Letters from the Department to the petitioners re: "Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Forged Steel Fittings from the People's Republic of China, Italy, and Taiwan: Supplemental Questions," "Petition for the Imposition of Antidumping Duties on Imports of Forged Steel Fittings from the People's Republic of China: Supplemental Questions," "Petition for the Imposition of Antidumping Duties on Imports of Forged Steel Fittings from Taiwan: Supplemental Questions,"; Letter from the Department to the petitioners re: "Petition for the Imposition of Antidumping Duties on Imports of Forged Steel Fittings from Italy: Supplemental Questions," dated October 10, 2017.

[4] *See* Letters from the petitioners, re: "Forged Steel Fittings from the People's Republic of China, Italy, and Taiwan: Response to Supplemental Questions – General Issues" (General Issues Supplement); "Forged Steel Fittings from Italy: Response to Supplemental Questions," dated October 11, 2017 (Italy AD Supplemental Response); "Forged Steel Fittings from the People's Republic of China: Response to Supplemental Questions," (PRC AD Supplemental Response); and "Forged Steel Fittings from Taiwan: Response to Supplemental Questions," (Taiwan AD Supplemental Response), dated October 11, 2017.

[5] *See* Letter to the petitioners, re: "Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Forged Steel Fittings from the People's Republic of China, Italy, and Taiwan: Supplemental Questions," dated October 17, 2017; Letter to the petitioners, re: Petition for the Imposition of Antidumping Duties on Imports of Forged Steel Fittings from the People's Republic of China: Second Supplement," dated October 16, 2017; Letter from the Department to the petitioners re: "Petition for the Imposition of Antidumping Duties on Imports of Forged Steel Fittings from Italy: Second Supplemental Questionnaire," dated October 16, 2017.

[6] *See* Letter from the petitioners re: "Forged Steel Fittings from the People's Republic of China: Response to Second Supplemental Questions, dated October 17, 2017 (PRC AD Second Supplemental Response); Letter from the petitioners re: "Forged Steel Fittings from Italy: Response to Second Supplemental Question," dated October 17, 2017; Letter from the petitioners to the Department, "Response to Second Supplemental Question on Industry Support and Cumulation," dated October 18, 2017 (Second General Issues Supplement).

[7] *See* Letter from the petitioners to the Department, "Forged Steel Fittings from China, Italy, and Taiwan: Revised Scope," dated October 19, 2017 (Revised Scope). *See also* the Appendix to this notice.

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioners allege that imports of forged steel fittings from the PRC, Italy, and Taiwan are being, or 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 forged steel fittings 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 (D) 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.[8]

Periods of Investigation

Because the Petitions were filed on October 5, 2017, the period of investigation (POI) for Taiwan and Italy is October 1, 2016, through September 30, 2017. Because the PRC is a non-market economy (NME) country, the POI for this investigation is April 1, 2017, through September 30, 2017.

[8] *See* "Determination of Industry Support for the Petitions" section, below.

Scope of the Investigations

The products covered by these investigations are forged steel fittings from the PRC, Italy, and Taiwan. 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.[9]

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).[10] 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,[11] 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 Tuesday, November 14, 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 Friday, November 24, 2017, which is 10 calendar days from the initial comments deadline.[12]

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

[9] *See* General Issues Supplemental Questionnaire; *see also* General Issues Supplement.
[10] *See Antidumping Duties; Countervailing Duties*, *Final Rule*, 62 FR 27296, 27323 (May 19, 1997).
[11] *See* 19 CFR 351.102(b)(21) (defining "factual information").
[12] *See* 19 CFR 351.303(b).

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 scope 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).[13] 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 forged steel fittings 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.

[13] *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%20Filling%20Procedures.pdf.

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 forged steel fittings, 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 November 14, 2017. Any rebuttal comments must be filed by 5:00 p.m. ET on November 24, 2017. All comments and submissions to the Department must be filed electronically using ACCESS, as explained above, on the records of the PRC, Italy and Taiwan 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,[14] 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.[15]

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

[14] *See* section 771(10) of the Act.
[15] *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)).

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 petition).

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 forged steel fittings, as defined in the scope, constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product.[16]

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 of this notice.[17] The petitioners provided their own production of the domestic like product in 2016 and compared this to the estimated total 2016 production of the domestic like product for the entire domestic industry.[18] We relied on the data the petitioners provided for purposes of measuring industry support.[19]

Our review of the data provided in the Petitions, supplements to the Petitions, and other information readily available to the Department indicates that the petitioners have established

[16] For a discussion of the domestic like product analysis in this case, *see* Antidumping Duty Investigation Initiation Checklist: Forged Steel Fittings from the People's Republic of China (PRC AD Initiation Checklist), at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Forged Steel Fittings from the People's Republic of China, Italy, and Taiwan (Attachment II); Antidumping Duty Investigation Initiation Checklist: Forged Steel Fittings from Italy (Italy AD Initiation Checklist), at Attachment II; and Antidumping Duty Investigation Initiation Checklist: Forged Steel Fittings from Taiwan (Taiwan AD Initiation Checklist), at Attachment II. These checklists are dated concurrently with, and hereby adopted by, 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.

[17] As noted above, the petitioners submitted a revised scope on October 19, 2017. *See* Revised Scope and the Appendix.

[18] *See* Volume I of the Petitions, at 3-4 and Exhibit I-1; *see also* General Issues Supplement, at 1 and Exhibit I-15; and Second General Issues Supplement, at 1-2.

[19] *Id.* For further discussion, *see* PRC AD Initiation Checklist, at Attachment II; Italy AD Initiation Checklist, at Attachment II; and Taiwan AD Initiation Checklist, at Attachment II.

industry support.[20] 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).[21] 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.[22] 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.[23] 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 (D) of the Act and they have demonstrated sufficient industry support with respect to the AD investigations that they are requesting that the Department initiate.[24]

Allegations and Evidence of Material Injury and Causation

[20] *See* PRC AD Initiation Checklist, at Attachment II; Italy AD Initiation Checklist, at Attachment II; and Taiwan AD Initiation Checklist, at Attachment II.
[21] *See* section 732(c)(4)(D) of the Act; *see also* PRC AD Initiation Checklist, at Attachment II; Italy AD Initiation Checklist, at Attachment II; and Taiwan AD Initiation Checklist, at Attachment II.
[22] *See* PRC AD Initiation Checklist, at Attachment II; Italy AD Initiation Checklist, at Attachment II; and Taiwan AD Initiation Checklist, at Attachment II.
[23] *Id.*
[24] *Id.*

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.[25]

The petitioners contend that the industry's injured condition is illustrated by a significant and increasing volume of imports from the subject countries; reduced market share; underselling and price depression or suppression; and a negative impact on the domestic industry's capacity utilization, employment, and profits.[26] 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.[27]

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 forged steel fittings from the PRC, Italy, and Taiwan. 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 the PRC and Taiwan, the petitioners based U.S. price on export price (EP) using an average unit value (AUV) of publicly available import data.[28] For Italy, the petitioners based

[25] *See* Volume I of the Petitions, at 10 and Exhibit I-4.
[26] *Id*. at 10-23 and Exhibits I-4 and I-7 through I-13.
[27] *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 Forged Steel Fittings from the People's Republic of China, Italy, and Taiwan (Attachment III); *see also* Italy AD Initiation Checklist, at Attachment III; *see also* Taiwan AD Initiation Checklist, at Attachment III.

U.S. price on EP, which they calculated based on their own prices, reduced to meet the price obtained by a U.S. customer from an Italian producer.[29] Where applicable, the petitioners made deductions from U.S. price for movement and other expenses, consistent with the terms of sale.[30]

Normal Value

With respect to the PRC, the petitioners stated that the Department has found this country to be a NME country in prior administrative proceedings.[31] 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.[32] 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 Mexico 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 Mexico is available to value all material input factors.[33] Based on the information provided by the petitioners, we determine that it is appropriate to use Mexico as a surrogate country for initiation purposes.[34]

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[28] *See* PRC Initiation Checklist and Taiwan AD Initiation Checklist.
[29] *See* Italy AD Initiation Checklist.
[30] *See* PRC AD Initiation Checklist, Italy AD Initiation Checklist and Taiwan AD Initiation Checklist.
[31] *See* Volume II of the Petitions at 1-2.
[32] *See* PRC AD Initiation Checklist.
[33] *See* Volume II of the Petitions at 2 and Exhibits II-1 and II-2.
[34] *See* PRC AD Initiation Checklist.

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 forged steel fittings in the United States as an estimate of PRC manufacturers' FOPs.[35] The petitioners valued the estimated FOPs using surrogate values from Mexico.[36] Additionally, for the surrogate values denominated in Mexican pesos, the petitioners converted peso prices into U.S. dollars using the average exchange rate obtained from the Department's website for April 2017, through June 2017,[37] and from www.exchange-rates.org to obtain the U.S./Mexican exchange rates for the period July 2017 through September 2017.[38]

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

For Italy, the petitioners based NV on a home market price quote obtained for ten selected forged steel fittings produced and sold in Italy within the proposed POI. The petitioners adjusted the price quotes for a distributor markup to obtain the ex-factory price.[39]

For Taiwan, the petitioners provided an affidavit from a foreign market researcher with a home market sales offer for forged steel fittings produced in, and sold or offered for sale in Taiwan.[40]

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[35] *See* Volume II of the Petitions at 4-6 and Exhibits II-7. *See also* PRC AD Supplemental Response at Exhibit II-18 and PRC AD Second Supplemental Response.
[36] *See* Volume II of the Petitions at Exhibits II-8 through II-15. *see also* PRC AD Supplemental Response at Exhibit II-19 and PRC AD Second Supplemental Response.
[37] *See* Volume II of the Petitions at Exhibit II-9.
[38] The petitioners noted that "the Department's exchange rate page {on the Department's website} only goes through June 2017. We have therefore used www.exchange-rates.org to obtain the U.S./Mexican exchange rates..." *See* PRC AD Supplemental Response at 2 and Exhibits II-19 through II-22.
[39] *See* Italy AD Initiation Checklist.
[40] *See* Taiwan AD Initiation Checklist.

Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of forged steel fittings from the PRC,Italy, and Taiwan 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 forged steel fittings for each of the countries covered by this initiation are as follows: (1) PRC – 142.72 percent;[41] (2) Italy – 18.66 to 80.20 percent;[42] and (3) Taiwan – 116.17 percent.[43]

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 forged steel fittings from the PRC, Italy, and Taiwan 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.[44] 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

[41] *See* PRC AD Initiation Checklist.
[42] *See* Italy AD Initiation Checklist.
[43] *See* Taiwan AD Initiation Checklist.
[44] *See* Trade Preferences Extension Act of 2015, Pub. L. No. 114-27, 129 Stat. 362 (2015).

ITC.[45] 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.[46]

Respondent Selection

The petitioners named six companies in Italy and three companies in Taiwan, as producers/exporters of forged steel fittings.[47] Following standard practice in AD investigations involving market economy countries, in the event the Department determines that the number of companies for any one market economy country is large, the Department intends to review U.S. Customs and Border Protection (CBP) data for U.S. imports of forged steel fittings during the respective 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. We intend to release CBP data under Administrative Protective Order (APO) to all parties with access to information protected by APO within five business days of the announcement of the initiation of these investigations. 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.

Interested parties may submit comments regarding the CBP data and respondent selection by 5:00 p.m. ET seven calendar days after the placement of the CBP data on the record of these

[45] *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).
[46] *Id*. at 46794-95. The 2015 amendments may be found at: https://www.congress.gov/bill/114th-congress/house-bill/1295/text/pl.
[47] *See* Volume I of the Petitions at Exhibit I-3.

investigations. Interested parties wishing to submit rebuttal comments should submit those comments five calendar days after the deadline for initial comments.

Comments must be filed electronically using ACCESS. An electronically-filed document must be received successfully, in its entirety, by ACCESS no later than 5:00 p.m. ET on the date noted above. If respondent selection is necessary, within 20 days of publication of this notice, we intend to make our decisions regarding respondent selection based upon comments received from interested parties and our analysis of the record information.

With respect to the PRC, the petitioners named 14 producers/exporters of forged steel fittings from the PRC.[48] 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, in the event the Department determines that the number of companies is large, base respondent selection on the responses received. For this 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 website at http://www.trade.gov/enforcement/news.asp.

Producers/exporters of forged steel fittings 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 website. The Q&V response must be submitted by the relevant PRC exporters/producers no later than 5:00 p.m. ET on November 9, 2017. All Q&V responses must be filed electronically via ACCESS.

Separate Rates

[48] *See* Volume I of the Petitions at Exhibit I-3.

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate application.[49] The specific requirements for submitting a separate-rate application in the PRC investigation are outlined in detail in the application itself, which is available on the Department's web site at http://enforcement.trade.gov/nme/nme-sep-rate.html. The separate-rate application will be due 30 days after publication of this initiation notice.[50] 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

[49] *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).

[50] 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.

> 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.[51]

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, Italy, and Taiwan *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 forged steel fittings from the PRC, Italy, and/or Taiwan, are materially injuring, or threatening material injury to, a U.S. industry.[52] A negative ITC determination for any country will result in the investigation being terminated with respect to that country.[53] 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

[51] *See* Policy Bulletin 05.1 at 6 (emphasis added).
[52] *See* section 733(a) of the Act.
[53] *Id.*

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[54] 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.[55] 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-

[54] *See* 19 CFR 351.301(b).
[55] *See* 19 CFR 351.301(b)(2).

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.[56] Parties are hereby reminded that revised certification requirements are in effect for company/government officials, as well as their representatives.[57] 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 that they meet the requirements of these procedures (*e.g.*, the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

[56] *See* section 782(b) of the Act.

[57] *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.

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

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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

October 25, 2017

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Date

Appendix

Scope of the Investigations

The merchandise covered by these investigations 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 and unions. 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, and MSS SP-83, ASTM A105, ASTM A350 and ASTM A182, the scope is not limited to fittings made to these specifications.

The term forged is an industry term used to describe a class of products included in applicable standards, and does not reference an exclusive manufacturing process. Forged steel fittings are not manufactured from casting. Pursuant to the applicable standards, fittings may also be machined from bar stock or machined from seamless pipe and tube.

All types of fittings are included in the scope regardless of nominal pipe size (which may or may not be expressed in inches of nominal pipe size), pressure rating (usually, but not necessarily expressed in pounds of pressure, e.g., 2,000 or 2M; 3,000 or 3M; 6,000 or 6M; 9,000 or 9M), wall thickness, and whether or not heat treated.

Excluded from this scope are all fittings entirely made of stainless steel. Also excluded are flanges, butt weld fittings, and nipples.

Subject carbon and alloy forged steel fittings are normally entered under HTSUS 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060. They also may be entered under HTSUS

7307.92.3010, 7307.92.3030, 7307.92.9000, and 7326.19.0010.

The HTSUS subheadings and specifications are provided for convenience and customs purposes; the written description of the scope is dispositive.
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