



BILLING CODE: 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-570-065]

### Countervailing Duty Investigation of Stainless Steel Flanges from the People's Republic of China: Final Affirmative Determination

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

**SUMMARY:** The Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers/exporters of stainless steel flanges from the People's Republic of China (China). The period of investigation is January 1, 2016, through December 31, 2016.

**DATES:** Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Justin Neuman or Jerry Huang, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-0486 or (202) 482-4047, respectively.

### SUPPLEMENTARY INFORMATION:

#### Background

The Preliminary Determination in this investigation was published on January 23, 2018.<sup>1</sup> Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal

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<sup>1</sup> See *Countervailing Duty Investigation of Stainless Steel Flanges from the People's Republic of China: Preliminary Affirmative Determination*, 83 FR 3124 (January 23, 2018) (*Preliminary Determination*).

Government from January 20 through 22, 2018. As a result, the revised deadline for the final determination of this investigation is now April 4, 2018.<sup>2</sup> We invited interested parties to comment on the Preliminary Determination. However, we received no comments from any interested parties.

### Scope of the Investigation

The products covered by this investigation are stainless steel flanges from China. For a complete description of the scope of this investigation, see the Appendix to this notice.

### Analysis of Subsidy Programs and Comments Received

As noted above, we received no comments pertaining to the Preliminary Determination. As stated in the Preliminary Determination, we found that the mandatory respondents in these investigations, Bothwell (Jiangyan) Steel Fittings Co., Ltd.; Hydro Fluids Controls Limited; Jiangyin Shengda Brite Line Kasugai Flange Co., Ltd.; and Qingdao I-Flow Co., Ltd.; did not cooperate to the best of their abilities and, accordingly, we determined it appropriate to apply facts otherwise available with adverse inferences, in accordance with section 776(a)–(b) of the Tariff Act of 1930, as amended (the Act).<sup>3</sup> For the purposes of the final determination, Commerce has made no changes to the Preliminary Determination.

### All-Others Rate

As discussed in the Preliminary Determination, Commerce based the selection of the “All-Others” rate on the countervailable subsidy rate established for the mandatory respondents in accordance with section 705(c)(5)(A)(ii) of the Act.<sup>4</sup> We made no changes to the selection of this rate for this final determination.

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<sup>2</sup> See Memorandum, “Deadlines Affected by the Shutdown of the Federal Government” (Tolling Memorandum), dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by 3 days.

<sup>3</sup> See *Preliminary Determination*, 83 FR at 3124-3125.

<sup>4</sup> *Id.*, 83 FR at 3125.

## Final Determination

Commerce determines that the following estimated countervailable subsidy rates exist:

<b>Company</b>	<b>Subsidy Rate (percent)</b>
Bothwell (Jiangyan) Steel Fittings Co., Ltd.	174.73 percent
Hydro-Fluids Controls Limited	174.73 percent
Jiangyin Shengda Brite Line Kasugai Flange Co., Ltd.	174.73 percent
Qingdao I-Flow Co., Ltd.	174.73 percent
All-Others	174.73 percent

## Continuation of Suspension of Liquidation

As a result of our Preliminary Determination and pursuant to section 703(d)(1)(B) and (d)(2) of the Act, Commerce directed U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*.

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

### International Trade Commission Notification

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

### Notification Regarding Administrative Protective Orders

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act and 19 CFR 351.210(c).

Dated: April 4, 2018.

**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 Investigation

The products covered by this investigation 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 investigation 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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