



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-475-839]

Forged Steel Fittings from Italy: Final Determination of Sales at Less Than Fair Value

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

SUMMARY: The Department of Commerce (Commerce) determines that imports of forged steel fittings from Italy are being, or are likely to be, sold in the United States at less than fair value (LTFV).

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

FOR FURTHER INFORMATION CONTACT: Michael Bowen at (202) 482-0768 or Brian Smith at (202) 482-1766, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On May 17, 2018, Commerce published in the *Federal Register* the *Preliminary Determination* and invited interested parties to comment.¹ As no interested party submitted comments, we have made no changes to the estimated weighted-average dumping margins determined in the *Preliminary Determination*.

¹ See *Forged Steel Fittings from Italy: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures*, 83 FR 22954 (May 17, 2018) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum.

Period of Investigation

The period of investigation (POI) is October 1, 2016, through September 30, 2017.

Scope of the Investigation

The products covered by this investigation are forged steel fittings from Italy. For a full description of the scope of this investigation, *see* the “Scope of the Investigation,” at the Appendix to this notice.

Scope Comments

During the course of this investigation and the concurrent investigations of forged steel fittings from the People’s Republic of China (China) and Taiwan, Commerce received numerous scope comments from interested parties. Commerce issued a Preliminary Scope Decision Memorandum² and a Second Preliminary Scope Decision Memorandum³ to address these comments. For a summary of the product coverage comments and rebuttals submitted to the records of this investigation and the concurrent investigations of forged steel fittings from China and Taiwan for consideration in the final determinations, and our accompanying discussion and analysis of them, *see* the Final Scope Decision Memorandum, issued July 23, 2018, concurrent with the final determination in the antidumping duty investigation of forged steel fittings from Taiwan.⁴

² *See* Memorandum, “Scope Comments Decision Memorandum for the Preliminary Determinations,” dated March 7, 2018 (Preliminary Scope Decision Memorandum).

³ *See* Memorandum, “Second Preliminary Scope Decision Memorandum,” dated May 17, 2018 (Second Preliminary Scope Decision Memorandum).

⁴ *See* Memorandum, “Forged Steel Fittings from China, Italy and Taiwan: Final Scope Determination Decision Memorandum,” dated July 23, 2018 (Final Scope Decision Memorandum); *see also*, Memorandum to the File, “Placing Carbon Steel Butt Weld Pipe Fitting Scope Information Ruling on the Record,” dated September 19, 2018.

Verification

As stated in the Preliminary Decision Memorandum, Officine Nicola Galperti e Figlio S.p.A. (Galperti) and Pegasus S.R.L. (Pegasus) each claimed that it did not produce or export to the United States forged steel fittings from Italy during the POI.⁵ Pursuant to section 782(i) of the Tariff Act of 1930, as amended (the Act), on July 19 – 23, 2018, we conducted verification of these companies' claims using standard verification procedures, including an examination of relevant accounting records and original source documents. As a result of the verification, we confirmed that neither Galperti nor Pegasus produced or sold subject merchandise during the POI.⁶ As explained further below, mandatory respondents, M.E.G.A. S.p.A. (MEGA) and I.M.L. Industria Meccanica Ligure S.p.A. (IML), withdrew from participation in the investigation; therefore, we did not verify the information on the record with respect to either company.⁷

Use of Adverse Facts Available

In the *Preliminary Determination*, we based the estimated weighted-average dumping margins for both MEGA and IML on facts available with an adverse inference (AFA), pursuant to sections 776(a)(1), 776(a)(2)(A)-(C), and 776(b) of the Act, because those respondents failed to cooperate to the best of their ability in responding to our requests for information.⁸

Specifically, MEGA failed to respond fully to our requests for information regarding its reported

⁵ See Preliminary Decision Memorandum at 5.

⁶ See Memorandum, "Verification of Officine Nicola Galperti e Figlio S.p.A.," and Memorandum, "Verification of Pegasus S.R.L.," both dated August 27, 2018.

⁷ See Letter from MEGA, "Forged Steel Fittings from Italy: Notice of M.E.G.A. S.p.A. Declining Participation in On-Site Verification," dated July 2, 2018 (MEGA's Notice of Non-Participation); and Letter from IML, "I.M.L. S.p.A. Italy will not participate," dated April 18, 2018 (IML's Notice of Non-Participation).

⁸ See Preliminary Decision Memorandum at 5.

cost reconciliation,⁹ and IML submitted a notice of non-participation after failing to submit sections B, C, D, and supplemental section A questionnaire responses.¹⁰ As stated in the *Preliminary Determination*, we provided MEGA an opportunity to remedy its deficient cost reporting, and upon receiving a complete supplemental questionnaire response, we notified MEGA that we intended to verify MEGA's information.¹¹ However, MEGA subsequently filed a letter declining participation in the intended on-site verification.¹²

No parties filed comments on our *Preliminary Determination* with respect to MEGA and IML, and there is no new information on the record that would cause us to reverse our preliminary AFA determination. With respect to MEGA, in the *Preliminary Determination*, we relied on sections 776(a)(1) and 776(a)(2)(A)-(B) of the Act because MEGA had, at that point, failed to provide an adequate cost reconciliation in response to our requests for such information. After the *Preliminary Determination*, as explained above, MEGA provided adequate responses to our requests for information for its cost reconciliation, but then refused to participate in verification.¹³ In light of MEGA's refusal to participate in verification, we now determine that selection from among the facts otherwise available is warranted under section 776(a)(2)(C) of the Act, because MEGA significantly impeded the proceeding by refusing to participate in verification, and section 776(a)(2)(D) of the Act, because MEGA provided information that could not be verified.

⁹ *Id.* at 7 – 8.

¹⁰ *Id.* at 8 – 9. *See also* IML's Notice of Non-Participation.

¹¹ *See Preliminary Determination* at 83 FR 22955.

¹² *See* MEGA's Notice of Non-Participation.

¹³ *Id.*

Our finding with respect to IML remains the same as in the *Preliminary Determination*. No changes have been made to the record since the *Preliminary Determination* with regards to IML.

Accordingly, we continue to find that the use of an adverse inference in selecting from among the facts otherwise available pursuant to sections 776(a) and (b) of the Act is warranted with respect to MEGA and IML, because MEGA and IML have failed to cooperate by not acting to the best of their ability to comply with our requests for information by withdrawing from participation in the investigation. In selecting an appropriate AFA rate, we continue to assign to MEGA's and IML's entries of subject merchandise the highest dumping margin alleged in the Petition, 80.20 percent,¹⁴ which has been corroborated to the extent practicable within the meaning of section 776(c) of the Act.¹⁵

All-Others Rate

As discussed in the *Preliminary Determination*, we assigned the simple average of the dumping margins alleged in the Petition, 49.43 percent,¹⁶ as the "All-Others" rate, in accordance with section 735(c)(5)(B) of the Act. We made no changes to the selection of this rate for this final determination.

¹⁴ See Petitions for the Imposition of Antidumping and Countervailing Duties: Forged Steel Fittings from the People's Republic of China, Italy, and Taiwan, Volume IV, dated October 5, 2017 (Petition); see also Letter from the petitioners, "Response to Second Supplemental Question," dated October 17, 2017 (Petition Amendment) at Exhibit IV-18; and Memorandum, "Antidumping Duty Investigation Initiation Checklist: Forged Steel Fittings from Italy; A-475-839," dated October 25, 2017 (Initiation Checklist) at 9.

¹⁵ See Preliminary Decision Memorandum at 10 – 11.

¹⁶ See Petition and Petition Amendment; see also Preliminary Decision Memorandum at 11 – 12.

Final Determination

The final estimated weighted-average dumping margins are as follows:

Exporter/Producer	Estimated Weighted-Average Dumping Margin (percent)
M.E.G.A. S.p.A.	80.20 percent
I.M.L. Industria Meccanica Ligure S.p.A.	80.20 percent
All-Others	49.43 percent

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, for this final determination, we will direct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of forged steel fittings from Italy, as described in the Appendix to this notice, which are entered, or withdrawn from warehouse, for consumption on or after May 17, 2018, the date of publication in the *Federal Register* of the affirmative *Preliminary Determination*.

Pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), we will instruct CBP to require a cash deposit for such entries of merchandise equal to the estimated weighted-average dumping margin as follows: (1) the cash deposit rate for the respondents listed above will be equal to the respondent-specific estimated weighted-average dumping margin determined in this final determination; (2) if the exporter is not a respondent identified above but the producer is, then the cash deposit rate will be equal to the respondent-specific estimated weighted-average dumping margin established for that producer of the subject merchandise; and (3) the cash deposit rate for all other producers and exporters will be equal to the all-others estimated weighted-average dumping margin.

Disclosure

The estimated weighted-average dumping margins determined in this investigation are based on AFA. As these estimated weighted-average dumping margins are based on the rates calculated in the Petition Amendment, and because we made no changes to these rates since the *Preliminary Determination*, no disclosure of calculations is necessary for this final determination.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because Commerce's final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of forged steel fittings, no later than 45 days after this final determination. If the ITC determines that such injury does not exist, this proceeding will be terminated and all cash deposits posted will be refunded. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the "Continuation of Suspension of Liquidation" section.

Notification Regarding Administrative Protective Orders

This notice will serve as a reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or 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 sanctionable violation.

Notification to Interested Parties

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

Dated: October 1, 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 merchandise covered by this investigation is carbon and alloy forged steel fittings, whether unfinished (commonly known as blanks or rough forgings) or finished. Such fittings are made in a variety of shapes including, but not limited to, elbows, tees, crosses, laterals, couplings, reducers, caps, plugs, bushings, unions, and outlets. Forged steel fittings are covered regardless of end finish, whether threaded, socket-weld or other end connections.

While these fittings are generally manufactured to specifications ASME B16.11, MSS SP-79, MSS SP-83, MSS SP-97, ASTM A105, ASTM A350, and ASTM A182, the scope is not limited to fittings 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 specifications, subject 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/PSI, *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, butt weld outlets, nipples, and all fittings that have a maximum pressure rating of 300 pounds of pressure/PSI or less.

Also excluded are fittings certified or made to the following standards, so long as the fittings are not also manufactured to the specifications of ASME B16.11, MSS SP-79, MSS SP-83, MSS SP-97, ASTM A105, ASTM A350, and ASTM A182:

- American Petroleum Institute (API) API 5CT, API 5L, or API 11B
- Society of Automotive Engineering (SAE) SAE J476, SAE J514, SAE J516, SAE J517, SAE J518, SAE J1026, SAE J1231, SAE J1453, SAE J1926, J2044 or SAE AS 35411
- Underwriter's Laboratories (UL) certified electrical conduit fittings
- ASTM A153, A536, A576, or A865
- Casing Conductor Connectors 16-42 inches in diameter made to proprietary specifications
- Military Specification (MIL) MIL-C-4109F and MIL-F-3541

- International Organization for Standardization (ISO) ISO6150-B

To be excluded from the scope, products must have the appropriate standard or pressure markings and/or accompanied by documentation showing product compliance to the applicable standard or pressure, *e.g.*, “API 5CT” mark and/or a mill certification report.

Subject carbon and alloy forged steel fittings are normally entered under Harmonized Tariff Schedule of the United States (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.

[FR Doc. 2018-21728 Filed: 10/4/2018 8:45 am; Publication Date: 10/5/2018]