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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-565-801]

#### **Stainless Steel Butt-Weld Pipe Fittings from the Philippines: Final Results of Changed Circumstances Review**

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

**SUMMARY:** The Department of Commerce (Commerce) finds that Enlin Steel Corporation (Enlin), Vinox Corporation (aka Vinoc Corporation) (Vinox) and E N Corporation should be treated as a single entity for purposes of cash deposit and liquidation rates.

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

**FOR FURTHER INFORMATION CONTACT:** Julie Geiger or Fred Baker, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2057 or (202) 482-2924, respectively.

#### **SUPPLEMENTARY INFORMATION:**

##### Background

On February 23, 2001, Commerce published the antidumping duty (AD) order on stainless steel butt-weld pipe fittings (pipe fittings) from the Philippines.<sup>1</sup> On May 24, 2018, Core Pipe Products, Inc., Shaw Alloy Piping Products, Inc., and Taylor Forge Stainless, Inc.

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<sup>1</sup> See *Antidumping Duty Orders: Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines*, 66 FR 11257 (February 23, 2001) (the *Order*).

(collectively, the petitioners) requested that Commerce conduct a CCR pursuant to 751(b) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.216(b).<sup>2</sup>

The petitioners alleged in their request that Enlin had been shipping subject merchandise to the United States at the “all-others” antidumping duty cash deposit rate in effect for Enlin’s affiliates Vinox and E N Corporation, rather than at the company-specific rate of 33.81 percent established for Enlin in the less-than-fair-value (LTFV) investigation. The petitioners also alleged that Vinox and E N Corporation were, and are currently, the same business entity as Enlin. The petitioners, therefore, requested that Commerce conduct a CCR to determine that Enlin, Vinox, and E N Corporation are affiliated companies that should be treated as a single entity. They also requested that Commerce notify U.S. Customs and Border Protection (CBP) that it should impose and collect antidumping duty deposits on all unliquidated entries made by Vinox and E N Corporation at Enlin’s 33.81 percent rate. The petitioners submitted a supplement to their request on May 31, 2018.<sup>3</sup> Enlin filed a letter objecting to the petitioners’ request for a CCR on June 26, 2018.<sup>4</sup> The petitioners filed a response to Enlin’s letter on June 26, 2018.<sup>5</sup> On July 5, 2018, we extended the deadline for initiating the CCR,<sup>6</sup> and published the initiation of this CCR on August 14, 2018.<sup>7</sup>

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<sup>2</sup> See Petitioners’ Letter, “Stainless Steel Butt-Weld Pipe Fittings from the Philippines – Petitioners’ Request for Initiation of Changed Circumstances Review,” dated May 24, 2018 (Review Request).

<sup>3</sup> See Petitioners’ Letter, “Stainless Steel Butt-Weld Pipe Fittings from the Philippines - Petitioners’ Supplement to Changed Circumstances Review Request,” dated May 31, 2018 (Request Supplement).

<sup>4</sup> See Enlin’s Letter, dated June 26, 2018.

<sup>5</sup> See Petitioners’ Letter, “Antidumping Duty Order on Stainless Steel Butt-Weld Pipe Fittings from the Philippines – Petitioners’ Rebuttal to Respondents’ Opposition to Changed Circumstances Review Request,” dated June 26, 2018.

<sup>6</sup> See Commerce’s Letter, “Stainless Steel Butt-Weld Pipe Fittings from the Philippines: Extension of Time for Changed Circumstances Review Initiation Decision,” dated July 5, 2018.

<sup>7</sup> See *Stainless Steel Butt-Weld Pipe Fittings from the Philippines: Initiation of Antidumping Duty Changed Circumstances Review*, 83 FR 40227 (August 14, 2018) (*Initiation Notice*).

On August 20, 2018, we issued a questionnaire to Enlin, requesting further information about its relationship with Vinox and E N Corporation.<sup>8</sup> On September 3, 2018, Enlin filed a response,<sup>9</sup> stating that it agreed with the petitioners' requests that: (1) Enlin, Vinox, and E N Corporation should be treated as the same entity pursuant to 19 CFR 351.401(f); and (2) Commerce should instruct CBP to "impose and collect antidumping duty deposits on all unliquidated entries made by Vinox and E N Corp{oration}" of pipe fittings at the 33.81 percent cash deposit rate "previously established for Enlin on their shipments of subject merchandise from the Philippines."<sup>10</sup> Due to the complexities of this proceeding, we extended the deadline for issuing the final results of this changed circumstances review by an additional eleven days, until October 1, 2018, and later by an additional eight days, until October 9, 2018.<sup>11</sup> On September 24, 2018, the petitioners filed a response to Enlin's questionnaire response, urging Commerce to apply the 33.81 percent cash deposit rate retroactively to all unliquidated entries made by Vinox and E N Corporation.<sup>12</sup>

### Scope of the Order

The products covered by the *Order* are certain stainless steel butt-weld pipe fittings. Certain stainless steel butt-weld pipe fittings are under 14 inches in outside diameter (based on nominal pipe size), whether finished or unfinished. The products encompass all grades of stainless steel and "commodity" and "specialty" fittings. Specifically excluded from the

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<sup>8</sup> See Commerce's Letter, "Stainless Steel Butt-Weld Pipe Fittings from the Philippines: Antidumping Duty Changed Circumstances Review Questionnaire," dated August 20, 2018.

<sup>9</sup> See Enlin's Letter, "Stainless Steel Butt-Weld Pipe Fittings from the Philippines: Questionnaire Response," dated September 3, 2018 (Questionnaire Response).

<sup>10</sup> See Review Request at 2 and 5; *see also* Request Supplement at 1, 2, and 4.

<sup>11</sup> See Memorandum, "Stainless Steel Butt-Weld Pipe Fittings from the Philippines: Extension of Deadline for Final Results of Antidumping Duty Changed Circumstances Review," dated September 20, 2018, and Memorandum "Stainless Steel Butt-Weld Pipe Fittings from the Philippines: Extension of Deadline for Final Results of Antidumping Duty Changed Circumstances Review," dated October 1, 2018.

<sup>12</sup> See Petitioners' Letter, "Stainless Steel Butt-Weld Pine Fittings from the Philippines: Petitioners' Response to Enlin's Questionnaire Response," dated September 24, 2018.

definition are threaded, grooved, and bolted fittings, and fittings made from any material other than stainless steel.

The fittings subject to the *Order* are generally designated under specification ASTM A403/A403M, the standard specification for Wrought Austenitic Stainless Steel Piping Fittings, or its foreign equivalents (*e.g.*, DIN or JIS specifications). This specification covers two general classes of fittings, WP and CR, of wrought austenitic stainless steel fittings of seamless and welded construction covered by the latest revision of ANSI B16.9, ANSI B16.11, and ANSI B16.28. Pipe fittings manufactured to specification ASTM A774, or its foreign equivalents, are also covered by the *Order*.

The *Order* does not apply to cast fittings. Cast austenitic stainless steel pipe fittings are covered by specifications A351/A351M, A743/743M, and A744/A744M.

The stainless steel butt-weld pipe fittings subject to the *Order* are currently classifiable under subheading 7307.23.0000 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this *Order* is dispositive.

#### Final Results of the Changed Circumstances Review

Based on evidence on the record,<sup>13</sup> and Enlin's assertion that it should be considered a single entity with Vinox and E N Corporation,<sup>14</sup> we find that Enlin, Vinox, and E N Corporation are affiliated parties which should be treated as a single entity. While, historically, Commerce has not applied 19 CFR 351.401(f) in the context of CCRs, we find that for purposes of this particular segment of the proceeding, the criteria in the regulation are relevant to ensure that the administration and effect of the underlying *Order* are not undermined.

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<sup>13</sup> See Review Request at Attachments 1-7; see also Request Supplement at Attachments 1-4.

<sup>14</sup> See Questionnaire Response.

The petitioners claim that Enlin, Vinox, and E N Corporation are affiliated, pursuant to section 771(33) of the Act and 19 CFR 351.102(b), based on Enlin's direct statement of affiliation with Vinox in its Section A questionnaire response of the initial investigation, evidence of control over Vinox and E N Corporation by the same individuals or family members, similar or identical company addresses, and a common Canadian trademark.<sup>15</sup>

Pursuant to 19 CFR 351.401(f), Commerce will collapse affiliated entities when there is: (1) evidence that the entities have production facilities for similar or identical products that would not require substantial retooling of either facility in order to restructure manufacturing priorities; and (2) a significant potential for the manipulation of price or production, such as through common ownership, overlap of directors and managers, and intertwined operations. There is evidence on the record to support that these criteria have been met.<sup>16</sup> Specifically, record evidence demonstrates that: (1) Enlin, Vinox, and E N Corporation are affiliated parties that each produce or have produced the subject merchandise and have shipped it to the same or similar importers in the United States, and (2) there is a "significant potential for the manipulation of price or production," if we do not collapse the companies due to the level of common direction or control.<sup>17</sup>

Accordingly, given the evidence provided by the petitioners,<sup>18</sup> along with Enlin's acknowledgement that the three companies should be treated as a single entity and that CBP should collect antidumping duty cash deposits on all unliquidated entries made by Vinox and E N Corporation at the rate assigned to Enlin,<sup>19</sup> we find that: (1) there were sufficient changed

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<sup>15</sup> See Review Request; *see also* Request Supplement.

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> See Questionnaire Response, where Enlin stated that it agreed with the petitioners' request (in the Review Request

circumstances in the trading patterns and activities of Enlin, Vinox, and E N Corporation that the petitioners allege resulted in a possible evasion of the *Order*; (2) Enlin, Vinox, and E N Corporation should be collapsed as a single entity; (3) the collapsed entity is subject to the cash deposit rate assigned to Enlin in the LTFV investigation;<sup>20</sup> and (4) the results of this CCR are applied retroactively from the publication date of the *Order*.<sup>21</sup>

#### Instructions to U.S. Customs and Border Protection

As a result of this determination, we find that both Vinox and E N Corporation are subject to the cash deposit rate currently assigned to Enlin (*i.e.*, 33.81 percent).<sup>22</sup> Therefore, Commerce will instruct CBP to continue suspension of liquidation and to collect estimated antidumping duties for all unliquidated entries and shipments of subject merchandise produced and exported by Enlin, Vinox, and/or E N Corporation at the cash deposit rate of 33.81 percent currently assigned to Enlin, from the date of the publication of the *Order*.<sup>23</sup> This cash deposit requirement shall remain in effect until further notice. We will also instruct CBP to liquidate any unliquidated entries and shipments of subject merchandise produced and exported by Vinox and/or E N Corporation made during periods for which Commerce has completed an administrative review or for which no administrative review was requested (*i.e.*, through and including January 31, 2018) at the 33.81 percent rate currently assigned to Enlin.

#### Notification to Parties

This notice is the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed

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at 2 and 5, and Request Supplement at 1, 2, and 4).

<sup>20</sup> See the *Order*, 66 FR 11257.

<sup>21</sup> See, *e.g.*, *Large Power Transformers from the Republic of Korea: Notice of Final Results of Antidumping Duty Changed Circumstances Review*, 83 FR 45094 (September 5, 2018), and accompanying Issues and Decision Memorandum at 5-6.

<sup>22</sup> See the *Order*, 66 FR 11257.

<sup>23</sup> *Id.*

under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the 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.

Commerce is issuing and publishing these results in accordance with sections 751(b)(1) and (4) and 777(i) of the Act, and 19 CFR 351.216 and 19 CFR 351.221(c)(3)(i).

Dated: October 3, 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.*

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