



## FACT SHEET

### **Commerce Initiates Antidumping Duty (AD) Investigations of Imports of Forged Steel Fittings from Italy, the People's Republic of China (China), and Taiwan and a Countervailing Duty (CVD) Investigation of Imports of Forged Steel Fittings from China**

- On October 26, 2017, the Department of Commerce (Commerce) announced the initiation of AD investigations of imports of forged steel fittings from China, Italy, and Taiwan and a CVD investigation of imports of forged steel fittings from China.
- The AD and CVD laws provide U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of CVD investigations, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods from foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- The petitioners are Bonney Forge Corporation (Mount Union, PA), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (Pittsburgh, PA).
- The products covered by these investigations are 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.

- In 2016, imports of forged steel fittings from China, Italy, and Taiwan were valued at an estimated \$78.4 million, \$21.1 million, and \$15.1 million, respectively.

#### **NEXT STEPS**

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before November 20, 2017.
- If the ITC determines that there is a reasonable indication that imports of forged steel fittings from China, Italy and/or Taiwan materially injure, or threaten material injury to, the domestic industry in the United States, the investigations will continue, and the Department will be scheduled to announce its preliminary CVD determination in January 2018 and its preliminary AD determinations in March 2018, though these dates may be extended. If the ITC’s determinations are negative, the investigations will be terminated.

#### **ALLEGED DUMPING MARGINS:**

<b>COUNTRY</b>	<b>DUMPING MARGINS</b>
<b>China</b>	<b>142.72 percent</b>
<b>Italy</b>	<b>18.66 to 80.20 percent</b>
<b>Taiwan</b>	<b>116.17 percent</b>

#### **ESTIMATED SUBSIDY RATE:**

<b>COUNTRY</b>	<b>SUBSIDY RATE</b>
<b>China</b>	<b>Above <i>de minimis</i>*</b>

\* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

## CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATIONS
Petitions Filed	October 5, 2017	October 5, 2017
DOC Initiation Date	October 25, 2017	October 25, 2017
ITC Preliminary Determinations*	November 20, 2017†	November 20, 2017†
DOC Preliminary Determinations	December 29, 2017	March 14, 2018
DOC Final Determinations	March 14, 2018	May 29, 2018†
ITC Final Determinations**	April 30, 2018†	July 12, 2018
Issuance of Orders***	May 7, 2018†	July 19, 2018

NOTE: Commerce's preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

\* If the ITC makes a negative preliminary determination of injury, the investigations are terminated.

\*\*This will take place only in the event of final affirmative determinations from Commerce.

\*\*\*This will take place only in the event of final affirmative determinations from Commerce and the ITC.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

## IMPORT STATISTICS:

CHINA	2014	2015	2016
Volume (metric tons)	28,337	24,000	17,631
Value (USD)	129,229,072	104,602,968	78,409,503
ITALY	2014	2015	2016
Volume (metric tons)	5,798	7,581	5,229
Value (USD)	26,669,961	36,739,375	21,239,055
TAIWAN	2014	2015	2016
Volume (metric tons)	4,529	4,133	3,057
Value (USD)	19,905,056	19,086,308	15,098,862

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS: 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060).