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**UNITED STATES DEPARTMENT OF COMMERCE**  
**International Trade Administration**  
Washington, D.C. 20230

**PUBLIC FILE**

A-570-502

Scope Review

**PUBLIC DOCUMENT**

IA/NME 8: KGH

MEMORANDUM FOR: Barbara E. Tillman  
Acting Deputy Assistant Secretary  
for Import Administration

FROM: Wendy Frankel  
Director  
AD/CVD Operations, Office 8

SUBJECT: Scope Ruling on the Antidumping Duty Order on Iron  
Construction Castings from the People's Republic of China:  
Request by A.Y. McDonald Mfg. Co.

### Summary

In response to the scope ruling request from A.Y. McDonald Mfg. Co. of Dubuque, Iowa ("AYM"), we recommend finding that cast iron bases, cast iron upper bodies, and cast iron lids are within the scope of the order, and cast iron meter covers and frames, and meter frame extension rings are outside of the scope of the order.

### Background

On November 16, 2004, the Department of Commerce ("the Department") received a request from AYM for a scope ruling on whether certain cast iron items that AYM imports are covered by the antidumping duty order on iron construction castings from the People's Republic of China ("PRC"). In its request, AYM identifies the first group of merchandise in question as cast iron bases, cast iron upper bodies, and cast iron lids that are used in the manufacture of AYM's own long-shaped as well as yoke-shaped meter boxes in the United States. Also, in its request, AYM identifies the second group of merchandise in question as various cast iron meter covers and frames, and meter frame extension rings. AYM argues that these cast iron items are not covered by the antidumping duty order on iron construction castings from PRC. See Antidumping Duty Order: Iron Construction Castings from the People's Republic of China, 51 FR 17222 (May 9, 1986) ("the order"). On December 22, 2004, the Municipal Castings Fair Trade Council and its individual members<sup>1</sup> ("Petitioners") submitted comments on AYM's November 16, 2004 submission. On January 13, 2005, the Department informed Petitioners that their submission of

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<sup>1</sup> The individual members include Bingham & Taylor, Deeter Foundry Inc., East Jordan Iron Works, Inc., LeBaron Foundry, Inc., Municipal Castings, Inc., Neenah Foundry, Company, Tyler Pipe Company, and U.S. Foundry & Manufacturing Co.





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By Certified Mail, Return Receipt Requested

To All Interested Parties:

The Department of Commerce ("the Department") has received a request from A.Y. McDonald Mfg. Co. ("AYM") for a scope ruling on whether certain cast iron items that AYM imports are covered by the antidumping duty order on iron construction castings from the People's Republic of China. Items under this scope request include cast iron bases, upper bodies, and lids that are assembled into AYM's own meter boxes. Items under this scope request also include meter box frames and covers, and meter frame extension rings.

In accordance with 19 CFR 351.225(k)(1), and with the antidumping duty order in effect for this merchandise (see Antidumping Duty Order: Iron Construction Castings from the People's Republic of China, 51 FR 17222 (May 9, 1986)), the Department has determined that cast iron bases, cast iron upper bodies, and cast iron lids imported by AYM fall within the scope of the order because they essentially constitute meter boxes. The Department has also determined that meter box frames and covers, and meter box extension rings imported by AYM do not fall within the scope of the order because they do not constitute meter boxes.

Enclosed is a memorandum containing the Department's analysis. We will notify the U.S. Customs and Border Protection of this decision. If you have any questions, please contact Robert Bolling at (202) 482-3434 or Katharine Huang at (202) 482-1271.

Sincerely,

Wendy Frankel  
Director  
AD/CVD Operations, Office 8

Enclosure



December 22, 2004, required further explanation; specifically, the Department asked Petitioners to explain why they consider a cover and a frame to constitute a meter box. On January 18, 2004, Petitioners responded. On January 27, 2005, AYM submitted comments on the Petitioners' submission.

The regulations governing the Department's antidumping scope determinations are found at 19 CFR 351.225. On matters concerning the scope of an antidumping duty order, the Department first examines the descriptions of the merchandise contained in the petition, the determinations of the Secretary and the International Trade Commission ("the Commission"), the initial investigation, and the antidumping duty order. See 19 CFR 351.225(d) (referencing 351.225(k)(1)). This determination may take place with or without a formal inquiry. If the Department determines that these descriptions are dispositive of the matter, the Department will issue a final scope ruling regarding whether the merchandise is covered by the order. See 19 CFR 351.225(d).

Conversely, where the descriptions of the merchandise are *not* dispositive, the Department will consider the five additional factors set forth at 19 CFR 351.225(k)(2). These criteria are: i) the physical characteristics of the merchandise; ii) the expectations of the ultimate purchasers; iii) the ultimate use of the product; iv) the channels of trade in which the product is sold; and v) the manner in which the product is advertised and displayed. The determination of which analytical framework is most appropriate in any given scope inquiry is made on a case-by-case basis after consideration of all evidence before the Department.

In this case, the Department has evaluated AYM's request in accordance with 19 CFR 351.225(k)(1), and the Department finds that the descriptions of the product contained in the petition, the final determinations of the Secretary (including prior scope determinations) and the Commission, the initial investigation, and the antidumping duty order are, in fact, dispositive. Therefore, the Department finds it unnecessary to consider the additional factors set forth at 19 CFR 351.225(k)(2).

Documents from the underlying investigation deemed relevant by the Department to this scope ruling were made part of the record of this determination and are referenced herein.

In its petition of May 13, 1985, Petitioners requested that the investigation cover:

Iron construction castings include two categories of products, both of cast iron, produced by two different foundry methods. The first group, so-called "heavy construction castings," include manhole covers, rings, and frames, catch basin grates and frames, and cleanout covers and frames, all of which are heavy-walled castings produced by the sand cast method. All these articles are usually manufactured in sets consisting of a cover and frame, and sometimes accessory parts such as increaser or adapter rings. These articles are used for drainage or access purposes in public utility, water, and sanitary systems.

Manhole covers and frames constitute the bulk of both domestic production and imports of heavy construction castings.

The second group of articles, the so-called "light construction castings," can be produced by any of three processes, and include valve, service, and meter boxes. These products are also manufactured in sets, usually containing 3 pieces - a base, a straight midsection, and cover. These products are placed below ground to encase water, gas, or other valves, or water or gas meters. Although they can be manufactured in a range of dimensions, they are usually much lighter and smaller than manhole covers and other construction castings, and are more standardized in dimension nationwide. Petition Seeking Relief Under Section 731 of the Tariff Act of 1930, as Amended on Imports of Iron Construction Castings from the People's Republic of China, Vol. I at 5-6, dated May 13, 1985 (the "petition").

On March 19, 1986, the Department published a notice of final determination of sales at less than fair value of Certain Iron Construction Castings From the People's Republic of China, 51 FR 9483 (March 19, 1986). The products covered by this final determination were:

[c]ertain iron construction castings, limited to manhole covers, rings and frames, catch basins, grates and frames, cleanout covers and frames used for drainage or access purposes for public utility, water and sanitary systems, and valve, service and meter boxes which are placed below ground to encase water, gas or other valves, or water or gas meters. These articles must be of cast iron, not alloyed, and not malleable, and are currently classified under items numbers 657.0950 and 657.0990 of the *Tariff Schedules of the United States, Annotated*.

On April 25, 1986, in accordance with sections 736 and 751 of the Tariff Act of 1930, as amended ("the Act"), the Commission notified the Department that imports of heavy casting materially injure a United States industry and that imports of light castings threaten material injury to a United States industry, and defined the products as follows:

Iron construction castings are divided into two categories: "heavy" castings, which usually have walls of one (1) inch or greater thickness, and "light" castings, which typically have 1/4-inch -thick walls.

Heavy construction castings consist of manhole covers, rings and frames; catch basin grates and frames; and cleanout covers and frames used for drainage or access purposes. Such castings generally range in weight from 270 to 1,000 pounds and are produced by the sand-cast method. Heavy castings are classified under the Harmonized Tariff Schedule ("HTS") item number 732.10.0010.

Light castings consist of valve, service, and meter boxes. These products are placed below ground to encase the valves and meters of water, gas, or other utilities, and to

provide access to this equipment for periodic adjustment and reading. Light castings generally range in weight from 10 to 120 pounds and are produced in the United States by the sand-cast, shell mold, or permanent mold process. Light castings are classified under HTS item number 7325.10.0050.

On May 9, 1986, the Department published the order which covered the following products:

[c]ertain iron construction castings, limited to manhole covers, rings and frames, catch basins, grates and frames, cleanout covers and frames used for drainage or access purposes for public utility, water and sanitary systems, classifiable as heavy castings under item number 657.0950 of the Tariff Schedules of the United States, Annotated (TSUSA), and to valve, service and meter boxes which are placed below ground to encase water, gas, or other valves, or water or gas meters, classifiable as light castings under item number 657.0990 of the TSUSA. These articles must be of cast iron, not alloyed, and not malleable.

On June 7, 1999, the Department, pursuant to sections 751(c) and 752 of the Act, determined that revocation of the antidumping order on certain iron construction castings from Brazil, Canada and the PRC would likely lead to continuation or reoccurrence of dumping. See Final Results of Expedited Sunset Reviews: Certain Iron Construction Castings from Brazil, Canada, and the People's Republic of China, 64 FR 30310 (June 7, 1999). On October 29, 1999, the Commission determined, pursuant to section 751(c) of the Act, that revocation of the antidumping duty orders on certain iron construction castings from Brazil, Canada, and the PRC would likely lead to the continuance or reoccurrence of material injury to an industry in the United States within a foreseeable time. See Iron Metal Castings from India; Heavy Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China, 64 FR 58442 (October 29, 1999). Therefore, pursuant to 19 CFR 351.218 (e)(4), on November 12, 1999, the Department published a notice on the continuation of the antidumping duty order on certain iron construction castings from Brazil, Canada, and the PRC. See Continuation of Antidumping Duty Orders: Certain Iron Construction Castings from Brazil, Canada, and the People's Republic of China, 64 FR 61590 (November 12, 1999).

### Scope Ruling Request

#### **1st Group of Merchandise: Cast Iron Bases, Cast Iron Upper Bodies and Cast Iron Lids**

#### **AYM's Comments**

In its November 16, 2004, scope ruling request with regard to cast iron bases, cast iron upper bodies, and cast iron lids that AYM imports from the PRC, AYM states that these items are imported as parts to assemble its own completed long-shaped or yoke-shaped meter boxes with other items in the United States. Citing the Memorandum from Barbara E. Tillman to Joseph A. Spetrini dated October 17, 2003, regarding "Scope Ruling on the Antidumping Order on Iron

Construction Castings from the People's Republic of China - Request by the Frank J. Martin Company" ("Martin Scope Ruling"), AYM contends that, based on the same reasoning used by the Department when it ruled that Frank Martin Company's imported cast iron parts of a valve box were not within the scope of the order, AYM's imported parts do not fall within the scope of the order because these parts do not constitute a complete meter box.

According to AYM, its yoke-shaped meter box consists of 6 components: a base, an upper body, a lid, an inlet valve, an outlet valve, and an expansion connection; its long-shaped meter box consists of the same components as a yoke-shaped meter box, plus an inline dual check valve and plastic riser if so ordered. AYM claims that, depending on the number of imported parts used, the imported bases, upper bodies, and lids may make up between 1-3 of the total 7-9 components of a complete long-shaped or yoke-shaped meter box. AYM states that during the assembly stage of production, it adds significant value to its imported castings. AYM claims that, depending on the number of imported parts used, the imported parts may make up approximately six to 38 percent of the cost of the finished long-shaped and yoke-shaped boxes. Additionally, AYM states that some of the imported parts may be sold individually as repair parts for its long-shaped meter boxes and yoke-shaped meter boxes.

Further, AYM argues that Petitioners, in their petition, never sought to include parts of the covered articles (*i.e.*, Petitioners did not include parts of meter boxes) within the scope of the investigation. AYM's submission states that its imported cast iron bases, upper bodies, and lids are not like any of the examples listed as being included in the petition.

### **Petitioners' Comments**

Petitioners' December 22, 2004, submission states that AYM does not claim that its long-shaped boxes and yoke-shaped boxes are not meter boxes covered by the order. Petitioners contend that AYM's imported iron cast parts - bases, upper bodies and lids - are the only parts needed to comprise a meter box. Additionally, Petitioners contend that the parts that AYM does not import - inlet valve, outlet valve, expansion connection and, in the case of long-shaped meter boxes, an inline dual check valve and plastic riser - are not parts necessary to produce a meter box. Therefore, Petitioners argue that AYM's imported cast iron bases, upper bodies and lids, which undergo assembly in the United States to complete underground meter boxes, are covered by the scope of the order.

### **Analysis**

The Department has determined that the petition, with regard to light castings, is not ambiguous for purposes of determining whether the description of the subject merchandise in question is dispositive. The petition provides the following description, in relevant part:

"Light construction casting, ...include valve, service and meter boxes. These products are also manufactured in sets, usually containing 3 pieces - a base, a top, and cover. These

products are placed below ground to encase water, gas, or other valves, or water or gas meters.”

With regard to light castings, the Commission specified in its final injury determination that “light castings are also manufactured in sets, usually containing three pieces - a base, a top and a cover with lettering and/or a pattern.”

Thus, the Department has determined from the language of the petition and the Commission’s final injury ruling that the valve, service and meter boxes subject to the scope of the order usually contains three pieces - a base, a midsection and a cover. In the instant case, AYM’s imported iron cast bases, iron cast upper bodies and iron cast lids meet the description of a meter box described in the petition as well as the Commission’s final injury determination. Therefore, we have determined that AYM’s imported iron cast bases, iron cast upper bodies, and iron cast lids meet the definition of a meter box within the scope of the order. Also, AYM claims that its yoke-shaped meter box consists of an inlet valve, an outlet valve and an expansion connection; its long-shaped meter box consists of the same components as a yoke-shaped meter box, plus an inline dual check valve and plastic riser if so ordered. We have determined that the inlet valve, the outlet valve and expansion connection are manufactured from materials other than iron castings and are items added onto meter boxes. Thus, we have determined that these items are not parts necessary to produce a meter box.

## **2<sup>nd</sup> Group of Merchandise: Meter Frames and Covers and Meter Frame Extension Rings**

### **AYM’s Comments**

In its November 16, 2004, scope ruling request, AYM states that meter frames and covers, and meter frame extension rings, are not manhole covers, rings and frames, which are classified as heavy castings in the order. Rather, AYM contends that these items are light castings in terms of weight and thickness. AYM states that its imported meter frames and covers, and meter frame extension rings, weigh between approximately 5 to 120 pounds, and generally have a wall thickness of 1/4 inch to 1/2 inch. Additionally, AYM states that meter frames and covers, and meter frame extension rings, are distinct articles, which are separate and apart from meter boxes in terms of functionality. AYM states that these items do not “encase” a meter, but simply cover a meter pit opening to protect or conceal a meter. AYM contends that, because the Martin Scope Ruling excludes “cast iron full-flanged rings and gas lids” from the scope of the order, its imported meter frames and covers, and meter frame extension rings, should also be excluded from the order.

### **Petitioners’ Comments**

Petitioners agree with AYM that meter frames and covers and meter frame extension rings are light castings. However, Petitioners argue that, because a meter box can also be comprised solely of a cover and frame, AYM imports of meter frames and covers, and of meter frame extension

rings, are within the scope of the order. In response to the Department's request for further explanation as to why Petitioners consider a cover and a frame to constitute a meter box, Petitioners state that the meter box sample filed in the petition was "a two-part unit." Additionally, Petitioners provided two industry affidavits in their January 18, 2005, submission, stating that a meter box consists of two parts, a frame and a cover.

### **AYM's Rebuttal**

On January 27, 2005, AYM submitted its comments on Petitioners' explanation as to why Petitioners consider a cover and a frame to constitute a meter box. In this submission, AYM argues that the Department's longstanding position is that "with respect to the light castings, the order only covers valve, service and meter boxes, not the individual components of such boxes," and cites to *Memorandum from Edward Yang to John Durant Re: Scope Inquiry on Certain Iron Construction Castings from Brazil, Canada, the People's Republic of China, and India* (June 15, 1992) in support. AYM contends that, at most, its imported meter frames and covers and meter frame extension rings could only be parts of meter boxes, not complete meter boxes, because there are no bases imported (or associated) with these items. AYM argues that its imported meter frames and covers are made up of only two pieces - the frame and the cover - and that these two items do not make up a case or a box, which could completely surround a meter or "encase" a meter as required by the order.

Additionally, AYM argues that Petitioners' own labeling distinguishes meter frames and covers, and meter frame extension rings, from meter boxes. AYM states that, in the attachments to the Petitioners' January 18, 2005, submission, meter boxes and covers, like the example meter box attached to the petition, are clearly referred to as "Meter Box and ... Cover," while meter frames and covers, and meter frame extension rings are referred to as "Meter Covers, ... Ring & Lids" or "Water Meter Frames, Solid Lid." Thus, AYM contends that, based on the Petitioners' own labeling, these items are not meter boxes.

### **Analysis**

The Department notes that both Petitioners and AYM agree that AYM's imported meter frames and covers, and meter frame extension rings, are light castings. With respect to the light castings, the order covers valve, service and meter boxes which are placed below ground to encase water, gas, or other valves, or water or gas meters.

Additionally, the Department notes that, despite Petitioners' claim that the meter box sample contained in the petition is "a two-part unit," that meter box sample is actually a unit including a cover, a midsection and a base. Also, although Petitioners claim that the meter box sample in the petition "consists of two parts: a cover and a frame," the Department has determined through product analysis from the petition and the final determination of the Commission that the "frame" piece actually consists of both a midsection and a base. Further, Petitioners' January 18, 2005, submission contains Petitioners' own labeling which distinguishes meter frames and covers and meter frame extension rings from meter boxes. In the submission, the merchandise



labeled as a meter box or a valve box has a midsection and a base. Furthermore, in Petitioners' January 18, 2005, submission, we have observed that the merchandise that appears physically similar to AYM's imported meter covers and frames is labeled as "water meter frame, solid lid," "ring" and "cover," rather than "meter box." Thus, our analysis indicates that AYM's imported meter frames and covers, and meter frame extension rings are light castings and do not include a midsection and a base. Also, our analysis indicates that Petitioners' own labeling distinguishes meter frames and covers, and meter frame extension rings from meter boxes. Therefore, we have determined that AYM's imported meter frames and covers and meter frame extension rings do not constitute meter boxes and thus do not fall within the scope of the order.

### Recommendation

Based on the preceding analysis, we recommend that the Department find that the iron cast bases, iron cast upper bodies, and iron cast lids imported by AYM from the PRC are within the scope of the Order. Additionally, we recommend that the Department find that meter box frames, covers, and extension rings imported by AYM from the PRC are outside the scope of the Order. If you agree, we will send the attached letter to the interested parties, and will notify the U.S. Customs and Border Protection of our determination.

Agree                       Disagree

Barbara E. Tillman  
Barbara E. Tillman  
Acting Deputy Assistant Secretary  
for Import Administration

September 7, 2005  
Date

