
New Trade Case on Imports of Fluid End Blocks from China, Germany, India, and Italy

By Courtney G. Taylor / Dec 20, 2019

New U.S. antidumping (“AD”) and Countervailing (“CVD”) investigations were filed on Dec. 19, 2019, by the Fluid End Blocks Fair Trade Coalition, Ellwood Group, and Finkl Steel (collectively, “Petitioners”) against imports of fluid end blocks (“FEBs”) from China, Germany, India, and Italy.

The merchandise covered by these investigations is forged steel FEBs, whether unfinished, semi-finished, or finished, and which are typically used in the manufacture or service of hydraulic pumps. The term “forged” is an industry term used to describe the grain texture of steel resulting from the application of localized compressive force. Illustrative forging standards include, but are not limited to, American Society for Testing and Materials (“ASTM”) specifications A668 and A788. The full scope of the merchandise covered is set forth below.

The petition includes AD (less than fair value) allegations against Germany, India, and Italy and CVD (unfair subsidy) allegations against China, Germany, India,

and Italy. The Department of Commerce (“DOC”) and the International Trade Commission (“ITC”) will conduct the investigation. Within the next 45 days, the ITC will determine if the imports are injuring the U.S. industry. If the ITC finds injury, then the case will move to the DOC which will calculate the preliminary AD and CVD duty margins. The DOC’s preliminary determinations are currently scheduled for March 13, 2020 (CVD) and May 27, 2020 (AD), which are the dates when importers will be required to deposit the calculated duties upon the products’ entry in the U.S. market.

There is a strict statutory deadline associated with this proceeding and affected companies are advised to prepare as soon as possible. If this product is of interest to you, please let us know so that we can provide you with additional information as it becomes available.

The following are key facts about this trade case:

Petitioner: FEB Fair Trade Coalition, Ellwood Group, and Finkl Steel (collectively, “Petitioners”)

Foreign Producers/Exporters and US Importers: Please contact us for a listing of individual companies named in the petition.

Alleged AD and CVD margins: Petitioners have alleged the following AD and CVD margins:

- China- a CVD margin above de minimis.
- Germany- an AD margin of 69.37 % and a CVD margin above de minimis.
- India- an AD margin of 12.82 % and a CVD margin above de minimis.
- Italy- an AD margin of 77.24 % and a CVD margin above de minimis.

Merchandise covered by the scope of the case:

The products covered by these petitions are forged steel FEBs, whether unfinished, semi-finished, or finished, and which are typically used in the manufacture or service of hydraulic pumps.

The term “forged” is an industry term used to describe the grain texture of steel resulting from the application of localized compressive force. Illustrative forging standards include, but are not limited to, ASTM specifications A668 and A788.

For purposes of these petitions, the term “steel” denotes metal containing the following chemical elements, by weight: (i) iron greater than or equal to 60 percent; (ii) nickel less than or equal to 8.5 percent; (iii) copper less than or equal to 6 percent; (iv) chromium greater than or equal to 0.4 percent, but less than or equal to 20 percent; and (v) molybdenum greater than or equal to 0.15 percent, but less than or equal to 3 percent. Illustrative steel standards include, but are not limited to, American Iron and Steel Institute (“AISI”) or Society of Automotive Engineers (“SAE”) grades 4130, 4135, 4140, 4320, 4330, 4340, 8630, 15-5, 17-4, F6NM, F22, F60, and XM25, as well as modified varieties of these grades.

The products covered by these petitions are either (1) cut-to-length FEBs with a height (measured from its highest point) of 8 inches (203.2 mm) to 40 inches (1,016.0 mm), a width (measured from its widest point) of 8 inches (203.2 mm) to 40 inches (1,016.0 mm), and a length (measured from its longest point) of 11 inches (279.4 mm) to 75 inches (1,905.0 mm), or (2) strings of FEBs with a height (measured from its highest point) of 8 inches (203.2 mm) to 40 inches (1,016.0 mm), a width (measured from its widest point) of 8 inches (203.2 mm) to 40 inches (1,016.0 mm), and a length (measured from its longest point) up to 360 inches (9,144.0 mm).

The products included in the scope of these petitions have a tensile strength of at least 70 KSI (measured in accordance with ASTM A370) and a hardness of at least 140 HBW (measured in accordance with ASTM E10).

FEBs may be unfinished or have undergone one or more of the following finishing operations: (1) milling one or more flat surfaces; (2) contour machining to custom shapes or dimensions; (3) drilling or boring holes; (4) heat treating; (5) painting, varnishing, or coating; (6) threading; and/ or (7) the attachment of flanges, valves, seals, or connectors.

The products included in the scope of these petitions may enter under Harmonized Tariff System of the United States (“HTSUS”) subheadings 7218.91.0030, 7218.99.0030, 7224.90.0015, 7224.90.0045, 7326.19.0010, 7326.90.8688, or 8413.91.9055. While these HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the petitions is dispositive.

If you have any questions regarding the content of this alert, please contact Mark Ludwikowski (mludwikowski@clarkhill.com; 202-640-6680), Kevin Williams (kwilliams@clarkhill.com; 312-985-5907); William Sjoberg (wsjoberg@clarkhill.com; 202-772-0924), Courtney Gayle Taylor (cgtaylor@clarkhill.com; 202-552-2350); or another member of Clark Hill's International Trade Business Unit.