

Public Document

EAPA Investigation No. 7335 (Remand No. 7717): Norca Industrial Company, LLC and International Piping & Procurement Group, LP (Notice of Covered Merchandise Referral, September 6, 2022)

Concerning the Investigation of Evasion of the Antidumping Duty Order on Certain Carbon Steel Butt-Weld Pipe Fittings from the People's Republic of China (A-570-814)

On November 5, 2019, CBP initiated EAPA Investigation Numbers 7335 and 7336 based on properly filed allegations that reasonably suggested Norca Industrial Company, LLC (Norca) and International Piping & Procurement Group, LP (IPPG), respectively, entered merchandise into the customs territory of the United States through evasion of the antidumping duty (AD) order on certain carbon steel butt-weld pipe fittings (CSBW pipe fittings) from the People's Republic of China (China).¹ Specifically, the allegations claimed that Norca and IPPG imported CSBW pipe fittings into the United States from China that were transshipped through Vietnam. Norca and IPPG filed such entries as "Type 01" rather than "Type 03."

Following the investigation, on October 30, 2020, the Trade Remedy Law Enforcement Directorate (TRLED) within CBP's Office of Trade determined there was substantial evidence that Norca and IPPG entered Chinese-origin CSBW pipe fittings covered by AD order A-570-814 that were transshipped by BW Fittings Co., Ltd. (BW Fittings) through Vietnam, and no AD cash deposits were applied to the covered merchandise at the time of entry. In particular, CBP determined that, based on the scope of the AD order, rough, unfinished (or semi-finished) CSBW pipe fittings from China that undergo finishing processes in a third country would remain country of origin China upon importation into the United States; in contrast, CBP determined that seamless carbon steel pipe or steel plate from China that is manufactured into finished CSBW pipe fittings in a third country would not fall within the scope of the AD order. CBP found the record of the investigation showed that BW Fittings purchased Chinese-origin rough fittings to produce finished CSBW pipe fittings imported by Norca and IPPG during the period of investigation (POI), but found no evidence that BW Fittings purchased seamless pipe or steel plate as the raw material to produce CSBW pipe fittings during the POI.

On March 22, 2021, Regulations and Rulings (RR) within CBP's Office of Trade affirmed TRLED's determination as to evasion through RR's *de novo* administrative review. Norca and IPPG appealed CBP's determination of evasion and final administrative review decision to the U.S. Court of International Trade (CIT). *See Norca Indus. Co., LLC and Int'l Piping & Procurement Group, LP v. United States*, Consol. Court No. 21-00192 (Ct. Int'l Trade). On March 11, 2022, the CIT granted CBP's motion for voluntary remand. On remand, CBP re-examined and considered the information on the administrative record related to the production processes undertaken by BW Fittings to convert China-origin rough fittings into finished CSBW pipe fittings in Vietnam as well as arguments submitted by Norca that included references to documentation related to Commerce's anti-circumvention determinations as to different countries of alleged manufacture (not Vietnam) that CBP would not ordinarily review to discern whether merchandise is within scope. Based on this review, CBP found that it was unable to

¹ Subsequently, the two investigations were consolidated into EAPA Investigation Number 7335.

determine whether the merchandise imported by Norca and IPPG constitutes covered merchandise within the meaning of 19 U.S.C. § 1517(a)(3).

The scope of the AD order covers “carbon steel butt-weld pipe fittings, having an inside diameter of less than 14 inches, imported in either finished or unfinished form.” The AD order further details that “these formed or forged pipe fittings are used to join sections in piping systems where conditions require permanent, welded connections, as distinguished from fittings based on other fastening methods (*e.g.*, threaded, grooved, or bolted fittings).”

CBP is unable to determine whether rough fittings originating from China and processed in Vietnam by BW Fittings into finished CSBW pipe fittings are covered by AD order A-570-814. Therefore, CBP requests a determination from the Department of Commerce (Commerce) whether (1) Chinese-origin rough fittings that only underwent the third stage of production (*i.e.*, finishing processes) in Vietnam are within the scope of the AD order; and (2) whether Chinese-origin rough fittings that underwent both the second stage (*i.e.*, reforming or sizing the rough fitting) and third stage of production in Vietnam are within the scope of the AD order. Such a determination will assist the remand proceedings pursuant to litigation regarding CBP’s determination as to evasion and final administrative review decision as to imports of CSBW pipe fittings issued in EAPA Investigation No. 7335.

If you have any questions specific to EAPA Investigation No. 7335 (Remand No. 7717), please contact CBP at epallegations@cbp.dhs.gov, and include EAPA Investigation No. 7335 (Remand No. 7717) in the subject line of the message. For any questions specific to the scope referral and its procedures, please contact Commerce at the Customs and Border Protection Liaison Unit, Enforcement and Compliance, International Trade Administration, at (202) 482-0984.