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DEPARTMENT OF COMMERCE

International Trade Administration

A-580-867

Large Power Transformers from the Republic of Korea: Amended Final Results of Antidumping Duty Administrative Review; 2013-2014

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

SUMMARY: The Department of Commerce (the Department) is amending its final results in the administrative review of the antidumping duty order on large power transformers from the Republic of Korea (Korea) for the period August 1, 2013, through July 31, 2014, to correct a ministerial error.

DATES: Effective Date: (Insert date of publication in the *Federal Register*.)

FOR FURTHER INFORMATION CONTACT: Brian Davis (Hyosung) or Edythe Artman (Hyundai), AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-7924 or (202) 482-3931, respectively.

SUPPLEMENTARY INFORMATION

Background

On March 6, 2016, the Department published the final results for the 2013/2014 administrative review of the antidumping duty order on large power transformers from Korea.¹

¹ See *Large Power Transformers From the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2013–2014*, 81 FR 14087 (March 6, 2016) and accompanying Issues and Decision Memorandum (*Final Results*).

On March 16, 2016, Petitioner, ABB Inc., and one of the respondents, Hyosung Corporation and HICO America, Inc. (collectively, Hyosung), submitted allegations of ministerial errors. The other respondent, Hyundai Heavy Industries Co., Ltd. and Hyundai Corporation, USA (collectively, Hyundai) and Petitioner filed comments on the allegations on March 21, 2016. Based on our analysis of the allegations, we made changes to the calculation of the weighted-average dumping margin for Hyosung and for the non-individually examined respondents.²

Scope of the Order

The scope of this order covers large liquid dielectric power transformers (LPTs) having a top power handling capacity greater than or equal to 60,000 kilovolt amperes (60 megavolt amperes), whether assembled or unassembled, complete or incomplete.

Incomplete LPTs are subassemblies consisting of the active part and any other parts attached to, imported with or invoiced with the active parts of LPTs. The “active part” of the transformer consists of one or more of the following when attached to or otherwise assembled with one another: the steel core or shell, the windings, electrical insulation between the windings, the mechanical frame for an LPT.

The product definition encompasses all such LPTs regardless of name designation, including but not limited to step-up transformers, step-down transformers, autotransformers, interconnection transformers, voltage regulator transformers, rectifier transformers, and power rectifier transformers.

²This analysis is set forth in the Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, from Scot Fullerton, Director, Antidumping and Countervailing Duty Operations, Office VI, on the subject of “Ministerial Error Memorandum for the Amended Final Results of the 2013/2014 Administrative Review of the Antidumping Duty Order on Large Power Transformers from the Republic of Korea”, dated April 29, 2016 (Ministerial Error Memorandum).

The LPTs subject to this order are currently classifiable under subheadings 8504.23.0040, 8504.23.0080 and 8504.90.9540 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.

Ministerial Error

Section 751(h) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.224(f) define a “ministerial error” as an error “in addition, subtraction, or other arithmetic function, clerical error resulting from inaccurate copying, duplication, or the like, and any other similar type of unintentional error which the Secretary considers ministerial.”

Hyosung argues that in the *Final Results*, the Department did not update certain programming language in the Margin Calculation Program. As a result, Hyosung contends, the programming language did not fully implement the Department’s intended changes. We agree with Hyosung and, therefore, have corrected our Margin Calculation Program.³ As a result, the weighted-average dumping margin for Hyosung changes from 9.40 percent to 7.89 percent. Furthermore, the rate for the respondents not selected for individual examination, which is based on the weighted, simple-average of the two respondents selected for individual examination, changes from 6.74 percent to 5.98 percent.⁴

Hyosung also claimed that the Department erred in its application of a freight-revenue cap, but we find this claim does not constitute a ministerial error within the meaning of 735(e) of the Act or 19 CFR 351.224(f), because our adjustment is methodological in nature and the

³ See Ministerial Error Memorandum at 3.

⁴ The rate applied to the non-selected companies (*i.e.*, ILJIN, ILJIN Electric, and LSIS) is a simple average percentage margin calculated based on Hyosung’s and Hyundai’s dumping margins for the period August 1, 2013, through July 31, 2014.

adjustment we made was consistent with our stated intention in the *Final Results*.⁵

Finally, Petitioner argued that the Department made a ministerial error when it determined it was not necessary to cap sales-related revenues of directly-associated expenses in the calculation of Hyundai's final dumping margin. We find that this claim does not constitute a ministerial error within the meaning of 735(e) of the Act or 19 CFR 351.224(f), as our decision is methodological in nature and our intent to not impose any such caps is reflected in our final margin calculations.⁶

Amended Final Results of the Review

The Department determines that the following amended weighted-average dumping margins exist for the period August 1, 2013, through July 31, 2014:

<u>Company</u>	<u>Weighted-Average Dumping Margin (percent)</u>
Hyosung Corporation	7.89
Hyundai Heavy Industries Co., Ltd.	4.07
ILJIN Electric Co., Ltd.	5.98
ILJIN	5.98
LSIS Co., Ltd.	5.98

Disclosure

We will disclose the calculation memorandum used in our analysis to parties to this segment of the proceeding within five days of the date of the publication of these amended final results pursuant to 19 CFR 351.224(b).

Duty Assessment

The Department shall determine and U.S. Customs and Border Protection (CBP) shall

⁵ See Ministerial Error Memorandum at 3-5.

⁶ *Id.* at 6-7.

assess antidumping duties on all appropriate entries.⁷ For Hyosung, whose sales were individually examined and whose weighted-average dumping margin is above *de minimis*, we calculated an *ad valorem* importer-specific duty assessment rate based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1). Upon issuance of the amended final results of this administrative review, the Department will not issue instructions to CBP to assess antidumping duties on entries due to the preliminary injunction that was issued by the Court of International Trade after the issuance of the *Final Results*. See CBP Message Number 6098301.

Upon lifting of the injunction, we will determine if the duty assessment rates covering the period were *de minimis*, in accordance with the requirement set forth in 19 CFR 351.106(c)(2). For each respondent we will calculate importer (or customer)-specific rates by aggregating the amount of dumping calculated for all U.S. sales to that importer or customer and dividing this amount by the total entered value of the sales to that importer (or customer). Where an importer (or customer)-specific *ad valorem* rate is greater than *de minimis*, and the respondent reported reliable entered values, we will apply the assessment rate to the entered value of the importer's/customer's entries during the review period.

For entries of subject merchandise during the POR produced by Hyosung or Hyundai which they did not know were destined for the United States, we instructed CBP to liquidate unreviewed entries at the all-others rate if there was no rate for the intermediate company or companies involved in the transaction.⁸ See CBP Message Numbers 6102304 and 6102305 for Hyosung and Hyundai entries, respectively.

⁷ In these final results, the Department applied the assessment-rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

⁸ See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

Cash Deposit Instructions

The following cash deposit requirements will be effective upon publication of this notice for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication of these amended final results, as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for respondents noted above will be the rate established in the amended final results of this administrative review; (2) for merchandise exported by manufacturers or exporters not covered in this administrative review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company specific rate published for the most recently completed segment of this proceeding; (3) if the exporter is not a firm covered in this review, a prior review, or the original investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the manufacturer of the subject merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 22.00 percent, the all-others rate established in the antidumping investigation.⁹ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers Regarding the Reimbursement of Duties

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during the period of review. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and, subsequently, the assessment of doubled antidumping duties.

Administrative Protective Order

⁹ See *Large Power Transformers From the Republic of Korea: Antidumping Duty Order*, 77 FR 53177 (August 31, 2012).

This notice also serves as a reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing these amended final results in accordance with section 751(h) of the Act and 19 CFR 351.224(f).

Dated: April 29, 2016

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

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