



BILLING CODE: 3510-DS-P

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**[A-580-867]**

**Large Power Transformers from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2016-2017**

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

**SUMMARY:** The Department of Commerce (Commerce) determines that Hyosung Corporation (Hyosung) and Hyundai Heavy Industries Co., Ltd. and Hyundai Electric & Energy Systems Co. (collectively, Hyundai) made sales of large power transformers from the Republic of Korea (Korea) at less than normal value during the period of review (POR) August 1, 2016, through July 31, 2017.

**DATES:** Applicable [**INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER***].

**FOR FURTHER INFORMATION CONTACT:** John Drury (Hyosung) or Joshua DeMoss (Hyundai), AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-0195 or (202) 482-3362, respectively.

**SUPPLEMENTARY INFORMATION:**

[Background](#)

On September 7, 2018, Commerce published the *Preliminary Results*.<sup>1</sup> A summary of the events that occurred since Commerce published these preliminary results, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum, which is hereby adopted by this notice.<sup>2</sup>

The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and it is available to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29, 2019.<sup>3</sup> If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. The revised deadline for the final results of this review is now April 12, 2019.

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<sup>1</sup> See *Large Power Transformers from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2016–2017*, 83 FR 45415 (September 7, 2018) (*Preliminary Results*).

<sup>2</sup> See Memorandum to Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, entitled "Issues and Decision Memorandum for the Final Results of the Administrative Review of the Antidumping Duty Order on Large Power Transformers from the Republic of Korea; 2016-2017," dated concurrently with this notice (Issues and Decision Memorandum).

<sup>3</sup> See memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

### 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. The merchandise subject to the order is currently classified in the Harmonized Tariff Schedule of the United States at subheadings 8504.23.0040, 8504.23.0080, and 8504.90.9540. For a complete description of the scope of the order, *see* the accompanying Issues and Decision Memorandum.

### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this administrative review are addressed in the Issues and Decision Memorandum. For a list of the issues raised by parties, *see* the Appendix to this notice.

### Changes Since the *Preliminary Results*

Commerce has made no changes to the *Preliminary Results* with respect to Hyundai. As stated in the *Preliminary Results*, we found that the application of total facts otherwise available with adverse inferences to Hyundai's weighted-average dumping margin, pursuant to sections 776(a) and (b) of the Tariff Act of 1930, as amended, (the Act), was warranted.

Based on our review of the record and comments received from interested parties, we made certain changes to the margin calculations for Hyosung. For Hyosung, Commerce has relied on partial adverse facts available under section 776(a)(1) of the Act with respect to general and administrative (G&A) expenses, indirect selling expenses, and document acceptance charges. As a result of these changes, the weighted-average dumping margin also changes for the three companies not selected for individual examination.

## Final Results of the Review

The final weighted-average dumping margins are as follows:

Producer or Exporter	Weighted-Average Dumping Margin (percent)
Hyosung Corporation	15.74
Hyundai Heavy Industries Co., Ltd./ Hyundai Electric & Energy Systems Co., Ltd.	60.81
Iljin Electric Co., Ltd.	15.74
Iljin	15.74
LSIS Co., Ltd.	15.74

## Disclosure

We will disclose the calculations performed to parties in this proceeding within five days of the date of publication of this notice, in accordance with 19 CFR 351.224(b).

## Assessment Rate

The Department shall determine and U.S. Customs and Border Protection (CBP) shall assess antidumping duties on all appropriate entries.<sup>4</sup> For any individually examined respondents whose weighted-average dumping margin is above *de minimis*, we calculated importer-specific *ad valorem* duty assessment rates 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 final results of this administrative review, if any importer-specific assessment rates calculated in the final results are

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<sup>4</sup> 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).

above *de minimis* (*i.e.*, at or above 0.5 percent), the Department will issue instructions directly to CBP to assess antidumping duties on appropriate entries.

To determine whether 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 calculated importer (or customer)-specific *ad valorem* 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 has reported reliable entered values, we will apply the assessment rate to the entered value of the importer's/customer's entries during the POR.

With regard to Hyosung, as explained in our Issues and Decision Memorandum, we find that Hyosung has provided sufficient evidence, based on the totality of the circumstances under Commerce's successor-in-interest criteria, to demonstrate that Hyosung Heavy Industries Corporation (HIIC) is the successor-in-interest to Hyosung. After the publication of these final results, we intend to issue liquidation instructions covering entries made by Hyosung during the POR at the rate established in these final results.

We intend to issue assessment instructions directly to CBP 15 days after publication of the final results of this review.

#### Cash Deposit Requirements

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 final results, as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for respondents noted above will be equal to the weighted-

average dumping margins established in the final results of this administrative review; (2) for merchandise exported by producers 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 producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the subject merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 22.00 percent, the all-others rate established in the less-than-fair-value investigation.<sup>5</sup> These cash deposit requirements, when imposed, shall remain in effect until further notice.

As explained above, we find that Hyosung has provided sufficient evidence, based on the totality of the circumstances under Commerce's successor-in-interest criteria, to demonstrate that HHIC is the successor-in-interest to Hyosung. Accordingly, effective the date of publication of these final results, we intend to instruct CBP to begin collecting deposits from HHIC at the rate assigned to Hyosung pursuant to these final results.

#### 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) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during the POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping and/or countervailing duties did occur and the subsequent assessment of doubled antidumping duties.

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<sup>5</sup> See *Large Power Transformers from the Republic of Korea: Antidumping Duty Order*, 77 FR 53177 (August 31, 2012).

### Administrative Protective Order

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 this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213(h) and 19 CFR 351.221(b)(5).

Dated: April 12, 2019.

**Jeffrey I. Kessler,**

*Assistant Secretary*

*for Enforcement and Compliance.*

## **Appendix**

### List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. List of Issues
- III. Background
- IV. Scope of the Order
- V. Application of Adverse Facts Available
- VI. Discussion of the Issues

#### **A. Hyundai-Specific Issues**

- Comment 1: Reliability of Hyundai's Cost Data
- Comment 2: Hyundai's Cost Reconciliation
- Comment 3: An Adverse Inference is Not Warranted
- Comment 4: Moot Issues

#### **B. Hyosung-Specific Issues**

- Comment 5: Ministerial Errors
- Comment 6: Service Related Revenue Capping and Order Acknowledgement Form
- Comment 7: U.S. Indirect Selling and General and Administrative Expenses
- Comment 8: Whether Commerce's Preliminary Results G&A Expense Adjustment was  
Appropriate
- Comment 9: Variable Overhead Expenses
- Comment 10: Costs of Spare Parts
- Comment 11: Packing Costs
- Comment 12: Scrapped Materials



Comment 13: Product Codes and Home Market Sales

Comment 14: Product Codes and U.S. Sales

Comment 15: Product Codes and “VOH3B” Cost Variances

Comment 16: Warranty Expenses

Comment 17: Depreciation Costs

Comment 18: Document Acceptance Charge

Comment 19: Interest Expense Ratio

Comment 20: Brokerage Expenses

Comment 21: Effective Date of the Deposit Rate

Comment 22: Successor in Interest

Comment 23: Cost Variances

Comment 24: Constructed Export Price Offset

Comment 25: Constructed Value for Normal Value

### **C. General Issues**

Comment 26: Rate for Non-selected Respondents

## **VII. Recommendation**

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