



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-879]

Certain Corrosion-Resistant Steel Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2017

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

SUMMARY: The Department of Commerce (Commerce) determines that Dongbu Steel Co., Ltd/Dongbu Incheon Steel Co., Ltd. (Dongbu) received countervailable subsidies that are above *de minimis*, and that Hyundai Steel Company (Hyundai Steel) received countervailable subsidies that are *de minimis*. The period of review (POR) is January 1, 2017 through December 31, 2017.

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

FOR FURTHER INFORMATION CONTACT: Myrna Lobo or Jun Jack Zhao, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2371 or (202) 482-1396, respectively.

SUPPLEMENTARY INFORMATION

Background

Commerce published the *Preliminary Results* of this review on September 12, 2019.¹

In addition, Commerce issued a post-preliminary determination on the upstream allegation on

¹ See *Certain Corrosion-Resistant Steel Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review, and Rescission of Review, in Part; 2017*, 84 FR 48107 (September 12,

electricity on February 5, 2020.² For a history of events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.³

On December 30, 2019, we postponed the final results of this review until March 10, 2020.⁴

Scope of the Order

The products covered by this order are certain corrosion-resistant steel products. For a complete description of the scope of this order, see attachment to the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised in interested parties' case briefs are addressed in the Issues and Decision Memorandum. The issues are identified in the Appendix to this notice. 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 <http://access.trade.gov> and to all parties in the Central Records Unit, room B8024 of the main 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 Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

2019) (*Preliminary Results*) and accompanying Decision Memorandum (Preliminary Decision Memorandum).

² See Memorandum, "Upstream Subsidy on Electricity," dated February 5, 2020 (Upstream Analysis Memorandum).

³ See Memorandum, "Issues and Decision Memorandum for the Final Results of the 2017 Administrative Review of the Countervailing Duty Order on Certain Corrosion-Resistant Steel Products from the Republic of Korea (Issues and Decision Memorandum, or IDM), dated concurrently with, and hereby adopted by, this notice.

⁴ See Memorandum, "Certain Corrosion-Resistant Steel Products from the Republic of Korea: Extension of Deadline for Final Results of Countervailing Duty Administrative Review," dated December 30, 2019.

Changes Since the Preliminary Results

Based on the comments received from interested parties and record information, we have made changes to the net subsidy rates calculated for Dongbu and for those companies not selected for individual review. The changes made for Hyundai Steel did not result in a change to its net subsidy rate. For a discussion of these issues, *see* the Issues and Decision Memorandum.

Methodology

Commerce conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁵ For a description of the methodology underlying all of Commerce's conclusions, *see* the Issues and Decision Memorandum.

Companies Not Selected for Individual Review

The statute and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation.

Section 705(c)(5)(A)(i) of the Act instructs Commerce, as a general rule, to calculate an all-others rate equal to the weighted average of the countervailable subsidy rates established for

⁵ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

exporters and producers individually investigated, excluding any zero, *de minimis*, or rates based entirely on facts available. In this review, the only subsidy rate above *de minimis* is the rate calculated for Dongbu. Therefore, for the companies for which a review was requested that were not selected as mandatory respondents, we are applying the subsidy rate calculated for Dongbu.

Final Results of Administrative Review

In accordance with section 751(a)(1)(A) of the Act and 19 CFR 351.221(b)(5), we determine the total estimated net countervailable subsidy rates for the period January 1, 2017 through December 31, 2017 to be as follows:

Company	Net Countervailable Subsidy Rate (percent <i>ad valorem</i>)
Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd.	7.16
Hyundai Steel Company	0.44 (<i>de minimis</i>)
Bukook Steel Co., Ltd.	7.16
CJ Korea Express	7.16
DK Dongshin Co., Ltd.	7.16
Dongbu Express	7.16
Hongyi (HK) Hardware Products Co., Ltd.	7.16
Hyundai Glovis Co., Ltd.	7.16
Jeil Sanup Co., Ltd.	7.16
POSCO	7.16
POSCO C&C	7.16
POSCO Daewoo Corp.	7.16
POSCO P&S	7.16
Sejung Shipping Co., Ltd.	7.16
SeAH Steel	7.16
Seil Steel Co., Ltd.	7.16
SK Networks Co., Ltd.	7.16
Soon Hong Trading Co., Ltd.	7.16
Taisan Construction Co., Ltd.	7.16

TCC Steel Co., Ltd.	7.16
Young Sun Steel Co.	7.16

Assessment and Cash Deposit Requirements

In accordance with 19 CFR 351.212(b)(2), Commerce intends to issue appropriate instructions to U.S. Customs and Border Protection (CBP) 15 days after publication of these final results to liquidate shipments of subject merchandise. Because we have calculated a *de minimis* countervailable subsidy rate for Hyundai Steel, we will instruct CBP to liquidate the appropriate entries without regard to countervailing duties in accordance with 19 CFR 351.212. We will instruct CBP to liquidate shipments of subject merchandise produced and/or exported by Dongbu and the above listed companies, entered or withdrawn from warehouse for consumption from January 1, 2017 through December 31, 2017, at the *ad valorem* rates listed above for each respective company.

In accordance with section 751(a)(2)(C) of the Ac, we intend also to instruct CBP to collect cash deposits of estimated countervailing duties, in the amounts shown above, with the exception of Hyundai Steel, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. Because the countervailable subsidy rate for Hyundai Steel is *de minimis*, Commerce will instruct CBP to collect cash deposits at a rate of zero for Hyundai Steel for all shipments of the subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing

duties at the most-recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Order

This notice also serves as a final reminder to parties subject to an administrative protective order (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 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 terms of an APO is a violation which is subject to sanction.

Disclosure

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

These final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: March 10, 2020.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

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- II. List of Issues
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Comment 1: Whether the Electricity for LTAR Upstream Subsidy Allegation Confers a Benefit

Comment 2: Whether the Subsidy Rate for the Industrial Technology Innovation Promotion Act (ITIPA) Grants Was Improperly Calculated

Comment 3: Whether Tax Credit Programs Under the RSTA Meet the Specificity Requirement

Comment 4: Whether Tax Benefits Should Not Be Adjusted for the Special Rural Development Tax

Comment 5: Whether the Trading of Demand Response Resource Program is Countervailable

Comment 6: Whether the Modal Shift Program Confers a Countervailable Benefit

Comment 7: Whether the Non-Government Banks Were Entrusted or Directed to Provide a Financial Contribution to Dongbu through the Debt Restructuring Program

Comment 8: Whether the Restructuring of Dongbu's Existing Loans by GOK-controlled Banks Provided a Financial Contribution to Dongbu

Comment 9: Whether the Restructured Loans Provided to Dongbu were Specific

Comment 10: Whether Commerce Should Use the Interest Rates from Loans provided by Commercial Banks Participating in the Creditor Bank Committee as Benchmarks

Comment 11: Whether Dongbu Is Equityworthy and the Debt-to-Equity Swaps should be Countervailed

Comment 12: Whether Commerce Correctly Calculated the Benefit to Dongbu from KDB Short-Term Discounted Loans for Export Receivables Program

- X. Recommendation

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