



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-888]

Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review, and Intent to Rescind Review, in Part; 2018

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain carbon and alloy steel cut-to-length plate (CTL plate) from the Republic of Korea (Korea). The period of review is January 1, 2018 through December 31, 2018.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Bob Palmer or Faris Montgomery, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-9068 and (202) 482-1537, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 15, 2019, Commerce published a notice of initiation of an administrative review of the countervailing duty (CVD) order on CTL plate from Korea.<sup>1</sup> On December 30, 2019, Commerce extended the deadline for the preliminary results of this review to no later than May

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<sup>1</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 33739 (July 15, 2019).

29, 2019.<sup>2</sup> On April 24, 2020, Commerce tolled all deadlines in administrative reviews by 50 days, thereby extending the deadline for these preliminary results until July 20, 2020.<sup>3</sup>

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>4</sup> A list of topics discussed in the Preliminary Decision Memorandum is included at the appendix to this notice. The Preliminary 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>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

#### Scope of the Order

The merchandise covered by the order is carbon and alloy steel cut-to-length plate. For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.

#### Methodology

Commerce is conducting 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 preliminarily determine that there is a subsidy, *i.e.*, a government-provided financial contribution

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<sup>2</sup> *See* Memorandum "Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 2018," dated December 30, 2019.

<sup>3</sup> *See* Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews in Response to Operational Adjustments Due to COVID-19," dated April 24, 2020.

<sup>4</sup> *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review; 2018: Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>5</sup> For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

#### Intent to Rescind Administrative Review, in Part

On August 13 and 14, 2019, Hyundai Steel Company and Dongkuk Steel Mill Co., Ltd. timely submitted no shipment certifications.<sup>6</sup> Because there is no evidence on the record to indicate that Hyundai Steel Company or Dongkuk Steel Mill Co., Ltd. had entries, exports, or sales of subject merchandise to the United States during the period of review, and U.S. Customs and Border Protection (CBP) did not provide Commerce with any contradictory information, we intend to rescind the review with respect to these companies in accordance with 19 CFR 351.213(d)(3).<sup>7</sup>

#### Companies Not Selected for Individual Review

Commerce calculated an individual estimated net countervailable subsidy rate for POSCO, the sole mandatory respondent in this segment of the proceeding, which is not zero, *de minimis*, or based entirely under section 776 of the Act. Pursuant to section 705(c)(5)(A)(i) of the Act, we are assigning POSCO's rate to all producers and exporters not selected for individual review. For further information on the calculation of the non-examined company rate, refer to the section in the Preliminary Decision Memorandum entitled "Rate for Non-Examined Companies."

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<sup>5</sup> *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.

<sup>6</sup> *See* Hyundai Steel Company's letter, "Carbon and Alloy Steel Cut-To-Length Plate from Korea – Notice of No Sales," dated August 13, 2019; and Dongkuk Steel Mill Co., Ltd.'s letter, "Administrative Review of the Countervailing Duty Order on Carbon and Alloy Steel Cut-to-Length Plate from Korea for the 2018 Review Period – No Shipments Letter," dated August 14, 2019.

<sup>7</sup> *See* Memorandum, "Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea (C-580-888)," dated June 19, 2020; *see also* Memorandum, "Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea (C-580-888)," dated June 22, 2020.

## Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual net countervailable subsidy rate for POSCO. Commerce preliminarily determines that, during the period of review, the net countervailable subsidy rates for the producers/exporters under review are as follows:

<b>Company</b>	<b>Net Countervailable Subsidy Rate (percent <i>ad valorem</i>)</b>
POSCO <sup>8</sup>	0.50
BDP International	0.50
Blue Track Equipment	0.50
Boxco	0.50
Bukook Steel Co., Ltd.	0.50
Buma CE Co., Ltd.	0.50
China Chengdu International Techno-Economic Cooperation Co., Ltd.	0.50
Daehan I.M. Co., Ltd.	0.50
Daelim Industrial Co., Ltd.	0.50
Daesam Industrial Co., Ltd.	0.50
Daesin Lighting Co., Ltd.	0.50
Daewoo International Corp.	0.50
Dong Yang Steel Pipe	0.50
Dongbu Steel Co., Ltd.	0.50
Dongkuk Industries Co., Ltd.	0.50
EAE Automotive Equipment	0.50
EEW KHPC Co., Ltd.	0.50
Eplus Expo Inc.	0.50
GS Global Corp.	0.50
Haem Co., Ltd.	0.50
Han Young Industries	0.50
Hyosung Corp.	0.50
Jinmyung Frictech Co., Ltd.	0.50
Kindus Inc.	0.50
Korean Iron and Steel Co., Ltd.	0.50

<sup>8</sup> As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with POSCO: POSCO Chemtech, POSCO M-Tech, Pohang Scrap Recycling Distribution Center Co., Ltd., POSCO Nippon Steel RHF Joint Venture Co., Ltd., POSCO Terminal and POSCO Daewoo Corporation. The subsidy rates apply to all cross-owned companies.

Kyoungil Precision Co., Ltd.	0.50
Samsun C&T Corp.	0.50
Shipping Imperial Co., Ltd.	0.50
Sinchang Eng Co., Ltd.	0.50
SK Networks Co., Ltd.	0.50
SNP Ltd.	0.50
Steel N People Ltd.	0.50
Summit Industry	0.50
Sungjin Co., Ltd.	0.50
Young Sun Steel	0.50

### Assessment Rate

Consistent with section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue instructions to CBP 15 days after publication of the final results of this review.

### Cash Deposit Rate

Pursuant to section 751(a)(2)(C) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amount indicated above with regard to 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. 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 (*i.e.*, 4.31 percent) applicable to the company, as appropriate.<sup>9</sup> These cash deposit instructions, when imposed, shall remain in effect until further notice.

### Disclosure and Public Comment

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<sup>9</sup> See *Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Countervailing Duty Order*, 82 FR 24103 (May 25, 2017).

We will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.<sup>10</sup> Interested parties may submit written comments (case briefs) within 30 days of publication of the preliminary results, and rebuttal comments (rebuttal briefs) within seven days<sup>11</sup> after the time limit for filing case briefs.<sup>12</sup> Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.<sup>13</sup> Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.<sup>14</sup>

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, using Enforcement and Compliance's ACCESS system within 30 days of publication of this notice.<sup>15</sup> Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm the date and time of the hearing two days before the scheduled date.

Parties are reminded that all briefs and hearing requests must be filed electronically using ACCESS and received successfully in their entirety by 5 p.m. Eastern Time on the due date.

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<sup>10</sup> See 19 CFR 351.224(b).

<sup>11</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020) (*Temporary Rule*).

<sup>12</sup> See 19 CFR 351.309(c)(1)(ii) and (d)(1); see also 19 CFR 351.303 (for general filing requirements).

<sup>13</sup> See 19 CFR 351.309(c)(2) and (d)(2).

<sup>14</sup> See *Temporary Rule*.

<sup>15</sup> See 19 CFR 351.310(c).

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after publication of these preliminary results.

Notification to Interested Parties

These preliminary results of review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213 and 351.221(b)(4).

Dated: July 20, 2020.

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

## Appendix I

### List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Review
- IV. Diversification of Korea's Economy
- V. Intent to Rescind, in Part, the Administrative Review
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- VII. Rate for Non-Examined Companies
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- X. Recommendation

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