



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-879]

Certain Corrosion-Resistant Steel Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review; 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 corrosion-resistant steel products from the Republic of Korea. The period of review (POR) is January 1, 2018 through December 31, 2018.

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 and (202) 482-1396, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 9, 2019, Commerce published a notice of initiation of an administrative review of the countervailing duty (CVD) order on CORE from Korea.¹ On March 19, 2020, Commerce extended the deadline for the preliminary results of this review.² On April 24, 2020, Commerce tolled all deadlines in administrative reviews by 50 days.³ On July 21, 2020,

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 47242 (September 9, 2019) (*Initiation Notice*).

² See Memorandum, “Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review – 2018,” dated March 19, 2020.

³ 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.

Commerce tolled all deadlines in administrative reviews by an additional 60 days.⁴ The revised deadline for the preliminary results is November 17, 2020.

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁵ A list of topics discussed in the Preliminary Decision Memorandum is included at the Appendix I 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 certain corrosion-resistant steel products. 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 financial contribution from an authority that gives rise to a benefit to the recipient, and that the subsidy is specific.⁶ For a full description of the methodology underlying our conclusions, *see* the accompanying Preliminary Decision Memorandum.

⁴ *See* Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews," dated July 21, 2020.

⁵ *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review; 2018: Certain Corrosion-Resistant Steel Products from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁶ *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.

Companies Not Selected for Individual Review

For the companies not selected for individual review, because the rates calculated for Dongbu and Hyundai Steel were above *de minimis* and not based entirely on facts available, we applied a subsidy rate based on a weighted-average of the subsidy rates calculated for Dongbu and Hyundai Steel using publicly ranged sales data submitted by respondents.⁷

Preliminary Results of Review

As a result of this review, we preliminarily determine the net countervailable subsidy rates to be:

Company	Net Countervailable Subsidy Rate (percent <i>ad valorem</i>) 2018
Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd.	6.87
Hyundai Steel Company	0.51
Non-Selected Companies Under Review ⁸	3.13

Assessment Rate

Pursuant to section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce shall determine, and Customs and Border Protection (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

⁷ With two respondents under review, Commerce normally calculates: (A) a weighted-average of the estimated subsidy rates calculated for the examined respondents; (B) a simple average of the estimated subsidy rates calculated for the examined respondents; and (C) a weighted-average of the estimated subsidy rates calculated for the examined respondents using each company's publicly ranged U.S. sales quantities for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters.

⁸ See Appendix II.

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 applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

Commerce intends to disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days after the date of publication of these preliminary results.⁹ Interested parties may submit written comments (case briefs) within 30 days of publication of the preliminary results, and rebuttal comments (rebuttal briefs), limited to issues raised in case briefs, within seven days¹⁰ after the time limit for filing case briefs. Parties who submit case briefs or rebuttal briefs are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹¹ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹²

Interested parties who wish to request a hearing must do so within 30 days of publication of these preliminary results by submitting a written request to the Assistant Secretary for Enforcement and Compliance using Enforcement and Compliance's ACCESS system.¹³ Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs.¹⁴ If a request for a hearing is made, Commerce intends to hold the hearing at a time and

⁹ See 19 CFR 351.224(b).

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

¹¹ See 19 CFR 351.309(c)(2) and (d)(2).

¹² See *Temporary Rule*.

¹³ See 19 CFR 351.310(c).

¹⁴ See 19 CFR 351.310(c).

date to be determined.¹⁵ 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.

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

This administrative review and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213 and 19 CFR 351.221(b)(4).

Dated: November 17, 2020.

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

¹⁵ See 19 CFR 351.310.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Review
- IV. Scope of the Order
- V. Rate for Non-Examined Companies
- VI. Subsidies Valuation Information
- VII. Analysis of Programs
- VIII. Recommendation

Appendix II

List of Non-Selected Companies

1. AJU Steel Co., Ltd.
2. Anjeon Tech
3. Benison Korea Transport
4. Core International
5. CS Global Logistics
6. Dai Yang Metal Co., Ltd.
7. GS Global Corp.
8. Hanwa (Korea) Co., Ltd.
9. Hebei Hongxing Auto Made
10. Integris
11. Jeongwha Polytech
12. Joo Sung Sea And AirCo., Ltd.
13. KC Tech
14. Kima Steel Corporation
15. Korea Clad Tech
16. Kyoungdo Steel Co., Ltd.
17. Market Connect Sales Services
18. Milestone Korea Co., Ltd.
19. POSCO
20. POSCO Coated & Color Steel Co., Ltd.
21. POSCO Daewoo Corporation
22. POSCO International Corporation
23. Qingdao Wangbaoqiang
24. Roser Co., Ltd.
25. Samsung C&T Corporation
26. Sanglim Steel
27. SeAH Steel
28. Sejung Shipping Co., Ltd.
29. Seun Steel
30. Shandongsheng Cao Xian Yalu Mftd.
31. Sung A Steel
32. TCC Steel Co., Ltd.
33. Young Heung Iron and Steel Co., Ltd.
34. Young Steel Korea Co., Ltd.
35. Young Sun Steel Co.