



DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-867]

Large Power Transformers from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review, 2018-2019; Preliminary Determination of No Shipments; and Preliminary Successor-in-Interest Determination

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that Hyosung Heavy Industries Corporation (Hyosung) made sales of subject merchandise at less than normal value during the period of review (POR), August 1, 2018 through July 31, 2019. Interested parties are invited to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: John Drury, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0195.

SUPPLEMENTARY INFORMATION:

Background

Commerce initiated this review on October 7, 2019.¹ We selected one mandatory respondent in this review, Hyosung. On April 24, 2020, Commerce exercised its discretion to toll all deadlines for administrative reviews conducted pursuant to section 751(a)(1) of the Tariff

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 53411 (October 7, 2019).

Act of 1930, as amended (the Act), by 50 days.² Additionally, on July 21, 2020, Commerce exercised its discretion to toll the deadlines for all preliminary and final results in administrative reviews conducted pursuant to section 751(a)(1) of the Act, by a total of 60 days.³ For a more detailed description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum, dated concurrently with these results and hereby adopted by this notice.⁴

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 to 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/index.html>. A list of topics discussed in the Preliminary Decision Memorandum is attached as an Appendix to this notice. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Order

The scope of this order covers large liquid dielectric power transformers 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. This tariff classification is provided for convenience and Customs purposes; however, the written description of the scope of the order is dispositive.⁵

² *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.

³ *See* Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews," dated July 21, 2020.

⁴ *See* Memorandum, "Decision Memorandum for Preliminary Results of Antidumping Duty Administrative Review: Large Power Transformers from the Republic of Korea; 2018-2019" (Preliminary Decision Memorandum), dated concurrently with this notice.

⁵ The full text of the scope of the order is contained in Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(2) of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Preliminary Determination of No Shipments

On October 23, 2019, LSIS Co., Ltd (LSIS) timely notified Commerce that it had no exports, sales, or entries of subject merchandise during the POR.⁶ Commerce issued a no shipment inquiry to U.S. Customs and Border Protection (CBP), and CBP found no evidence of shipments from LSIS during the POR.⁷ Thus, based on record evidence, we preliminary determine that LSIS had no shipments during the POR. Consistent with Commerce’s practice, we find that it is not appropriate to rescind the review with respect to LSIS but, rather, to complete the review and issue appropriate instructions to CBP based on the final results of this review.⁸

Preliminary Results of Successor-in-Interest Analysis

On May 8, 2020, LS Electric Co., Ltd. (LS Electric) requested that Commerce initiate a successor-in-interest changed circumstances review, and also requested that Commerce combine the notice of initiation of a changed circumstances review with the preliminary results of review.⁹ LS Electric stated that changed circumstances are sufficient to warrant such a review because LSIS had changed its name to LS Electric Co., Ltd., as of March 25, 2020.¹⁰

⁶ *See* Letter, “Large Power Transformers from the Republic of Korea: LSIS Co., Ltd.’s No Shipment Letter,” dated October 23, 2019.

⁷ *See* Memorandum, “Large Power Transformers from the Republic of Korea; 2018-2019 Administrative Review: No Shipment Inquiry with Respect to LSIS,” dated November 21, 2019.

⁸ *See, e.g., Certain Frozen Warmwater Shrimp From Thailand; Preliminary Results of Antidumping Duty Administrative Review, Partial Rescission of Review, Preliminary Determination of No Shipments; 2012–2013*, 79 FR 15951, 15952 (March 24, 2014), unchanged in *Certain Frozen Warmwater Shrimp From Thailand: Final Results of Antidumping Duty Administrative Review, Final Determination of No Shipments, and Partial Rescission of Review; 2012–2013*, 79 FR 51306 (August 28, 2014); *Magnesium Metal From the Russian Federation: Preliminary Results of Antidumping Duty Administrative Review*, 75 FR 26922, 26923 (May 13, 2010), unchanged in *Magnesium Metal From the Russian Federation: Final Results of Antidumping Duty Administrative Review*, 75 FR 56989 (September 17, 2010).

⁹ *See* Letter “Large Power Transformers from the Republic of Korea: Request for Changed Circumstances Review Concurrent with Administrative Review (POR 08/01/2018 – 07/31/2019),” dated May 8, 2020 (LSIS Request).

¹⁰ *Id.* at 1-2.

We are not initiating a separate changed circumstances review, but instead, evaluating LS Electric's request as part of this administrative review. Based on our analysis of the information on the record, we preliminarily determine that LS Electric is the successor-in-interest to LSIS. See the Preliminary Decision Memorandum for further information.

Preliminary Results of Review

We preliminarily determine that, for the period August 1, 2018 through July 31, 2019, the following weighted-average dumping margins exist:

Producer/Exporter	Weighted-Average Dumping Margin (percent)
Hyosung Heavy Industries Corporation	52.75
Hyundai Electric & Energy Systems Co., Ltd.	52.75
Iljin Electric Co., Ltd.	52.75
Iljin	52.75

Disclosure and Public Comment

Commerce will disclose to parties to the proceeding any calculations performed in connection with these preliminary results of review within five days after the date of publication of this notice.¹¹ Interested parties are invited to comment on these preliminary results.

Interested parties may submit case briefs no later than 30 days after the date of publication of this notice.¹² Rebuttal briefs, the content of which is limited to the issues raised in the case briefs, must be filed within seven days from the deadline date for the submission of case briefs.¹³

Parties who submit case or rebuttal briefs in this proceeding 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.¹⁴ Case and rebuttal briefs should be filed using ACCESS.¹⁵ Case and rebuttal

¹¹ See 19 CFR 351.224(b).

¹² See 19 CFR 351.309(c)(1)(ii).

¹³ See 19 CFR 351.309(d)(1); see also *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

¹⁴ See 19 CFR 351.309(c)(2).

¹⁵ See, generally, 19 CFR 351.303.

briefs must be served on interested parties.¹⁶ Executive summaries should be limited to five pages total, including footnotes.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a request to the Assistant Secretary for Enforcement and Compliance within 30 days of the date of publication of this notice. Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; (3) whether any participant is a foreign national; and (4) a list of issues parties intend to discuss. 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 by telephone the date and time of the hearing two days before the scheduled date.

Commerce intends to publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief, no later than 120 days after publication of these preliminary results, unless extended.¹⁷

Assessment Rates

Upon completion of this administrative review, Commerce shall determine, and Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries. If a respondent's weighted-average dumping margin is not zero or *de minimis* in the final results of this review and the respondent reported reliable entered values, we will calculate importer-specific *ad valorem* assessment rates for the merchandise based on the ratio of the total amount of dumping calculated for the examined sales made during the POR to each importer to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1). If the respondent has not reported reliable entered values, we will calculate a per-unit assessment rate for each importer by dividing the total amount of dumping for the examined sales made during the POR to that importer by the total sales quantity associated with those transactions. Where an

¹⁶ See 19 CFR 351.303(f).

¹⁷ See section 751(a)(3)(A) of the Act; *see also* 19 CFR 351.213(h).

importer-specific *ad valorem* assessment rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries, without regard to antidumping duties, in accordance with 19 CFR 351.106(c)(2). If the respondent's weighted-average dumping margin is zero or *de minimis* in the final results of review, we will instruct CBP not to assess duties on any of its entries in accordance with the *Final Modification for Reviews*, i.e., “{w}here the weighted-average margin of dumping for the exporter is determined to be zero or *de minimis*, no antidumping duties will be assessed.”¹⁸

Regarding entries of subject merchandise during the POR that were produced by Hyosung and for which they did not know that the merchandise was destined for the United States, we will instruct CBP to liquidate un-reviewed entries at the all-others rate of 22.00 percent, as established in the less-than-fair-value investigation of the order, if there is no rate for the intermediate company(ies) involved in the transaction.¹⁹ For a full discussion of this matter, see *Assessment Policy Notice*.²⁰

We intend to issue liquidation instructions 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 the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for Hyosung and other companies listed above will be equal to the weighted-average dumping margin established in the final results of this administrative review; (2) for previously

¹⁸ See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101, 8102 (February 14, 2012) (*Final Modification for Reviews*).

¹⁹ See *Large Power Transformers from the Republic of Korea: Antidumping Duty Order*, 77 FR 53177 (August 31, 2012).

²⁰ See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003) (*Assessment Policy Notice*).

reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which they were reviewed; (3) if the exporter is not a firm covered in this review, a prior review, or in the 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 merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be the all-others rate of 22.00 percent, the rate established in the investigation of this proceeding.²¹ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a 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 this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

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.

Dated: December 14, 2020.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

²¹ See *Large Power Transformers from the Republic of Korea: Antidumping Duty Order*, 77 FR 53177 (August 31, 2012).

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Deadline for Submission of Updated Sales and Cost Information
- IV. Scope of the Order
- V. Preliminary Determination of No Shipments
- VI. Preliminary Results of Successor-in-Interest Analysis
- VII. Discussion of the Methodology
- VIII. Rate for Non-Selected Companies
- IX. Recommendation

[FR Doc. 2020-27913 Filed: 12/17/2020 8:45 am; Publication Date: 12/18/2020]