



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-882]

Certain Cold-Rolled Steel Flat 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 cold-rolled steel flat products (cold-rolled steel) from the Republic of Korea (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: Moses Song or Tyler Weinhold, 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) 482-7885 and (202) 482-1121, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 12, 2019, Commerce published a notice of initiation of the administrative review of the countervailing duty order on cold-rolled steel from Korea.<sup>1</sup> On April 24, 2020, Commerce tolled all deadlines in administrative reviews by 50 days.<sup>2</sup> On July 6, 2020, Commerce extended the deadline for the preliminary results of this review.<sup>3</sup> On July 21, 2020,

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<sup>1</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 61011 (November 12, 2019).

<sup>2</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>3</sup> See Memorandum, “Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 1/1/2018 – 12/31/2018,” dated July 6, 2020.

Commerce tolled all deadlines in administrative reviews by an additional 60 days.<sup>4</sup> On December 15, 2020, Commerce further extended the deadline for the preliminary results of this review.<sup>5</sup> The revised deadline for the preliminary results is January 15, 2021.

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>6</sup> 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 cold-rolled steel. 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.<sup>7</sup> For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

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

<sup>5</sup> *See* Memorandum, "Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 1/1/2018 – 12/31/2018," dated December 15, 2020.

<sup>6</sup> *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review; 2018: Certain Cold-Rolled Steel Flat Products from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>7</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.

## Companies Not Selected for Individual Review

For the companies not selected for individual review, because the rates calculated for Hyundai Steel Co., Ltd. (Hyundai Steel) and Dongbu Steel Co., Ltd. (Dongbu) 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 Hyundai Steel and Dongbu using publicly ranged sales data submitted by respondents.<sup>8</sup>

## Preliminary Results of Review

As a result of this review, we preliminarily determine the following net countervailable subsidy rates exist for the period January 1, 2018 through December 31, 2018:

<b>Company</b>	<b>Net Countervailable Subsidy Rate (percent <i>ad valorem</i>)</b>
Hyundai Steel Co., Ltd.	0.51
Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd.	6.89
Non-Selected Companies Under Review <sup>9</sup>	1.55

## 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. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time

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<sup>8</sup> With two respondents under review, Commerce normally calculates: (A) a weighted-average of the estimated subsidy rates calculated for the examined respondents using each examined respondent's business proprietary U.S. sales quantity of the subject merchandise; (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 of the subject merchandise. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for the producers and exporters subject to this review that were not selected for individual examination.

<sup>9</sup> See Appendix II.

for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

### 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 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.<sup>10</sup> Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance at a date to be determined. Rebuttal comments (rebuttal briefs), limited to issues raised in case briefs, within seven days<sup>11</sup> 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.<sup>12</sup> Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.<sup>13</sup>

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.<sup>14</sup>

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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)(2) and (d)(2).

<sup>13</sup> See *Temporary Rule*.

<sup>14</sup> See 19 CFR 351.310(c).

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.<sup>15</sup> If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined.<sup>16</sup> 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: January 15, 2021

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

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

<sup>16</sup> 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. Use of Facts Otherwise Available
- VIII. Analysis of Programs
- IX. Recommendation

## Appendix II

### List of Non-Selected Companies

1. AJU Steel Co., Ltd.
2. Amerisource Korea
3. BC Trade
4. Busung Steel Co., Ltd.
5. Cenit Co., Ltd
6. Daewoo Logistics Corporation
7. Dai Yang Metal Co., Ltd.
8. DK GNS Co., Ltd.
9. Dong Jin Machinery
10. Dongkuk Steel Mill Co., Ltd.
11. Dongkuk Industries Co., Ltd.
12. Eunsan Shipping and Air Cargo Co., Ltd.
13. Euro Line Global Co., Ltd.
14. GS Global Corp.
15. Hanawell Co., Ltd.
16. Hankum Co., Ltd.
17. Hyosung TNC Corp.
18. Hyuk San Profile Co., Ltd.
19. Hyundai Group
20. Iljin NTS Co., Ltd.
21. Iljin Steel Corp.
22. Jeon Pung Industrial Co., Ltd.
23. Kolon Global Corporation
24. Nauri Logistics Co., Ltd.
25. Okaya Korea Co., Ltd.
26. PL Special Steel Co., Ltd.
27. POSCO
28. POSCO C&C Co., Ltd.
29. POSCO Daewoo Corp.
30. POSCO International Corp.
31. Samsung C&T Corp.
32. Samsung STS Co., Ltd.
33. SeAH Steel Corp.
34. SK Networks Co., Ltd.
35. Taihan Electric Wire Co., Ltd.
36. TGS Pipe Co., Ltd.
37. TI Automotive Ltd.
38. Xeno Energy