



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-580-882]

#### **Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2018**

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

**SUMMARY:** The Department of Commerce (Commerce) 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. 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 or (202) 482-1121, respectively.

#### **SUPPLEMENTARY INFORMATION**

##### Background

Commerce published the *Preliminary Results* of this review on January 26, 2021.<sup>1</sup> On April 8, 2021, Commerce extended the deadline for the final results of this administrative review until July 23, 2021.<sup>2</sup> On May 25, 2021, Commerce issued a post-preliminary analysis on the electricity for less than adequate remuneration allegation and the equity infusions that Dongbu

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<sup>1</sup> See *Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review; 2018*, 86 FR 7063 (January 26, 2021) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

<sup>2</sup> See Memorandum, “Certain Cold-Rolled Steel Flat Products from the Republic of Korea; Countervailing Duty Administrative Review; 2018: Extension of Deadline for Final Results,” dated April 8, 2021.

Steel Co., Ltd. (Dongbu Steel) received.<sup>3</sup> For a description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.<sup>4</sup>

### Scope of the Order

The product covered by this order is cold-rolled steel. For a complete description of the scope of this order, see 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 accompanying this notice. A list of the issues raised by parties, and to which Commerce responded in the Issues and Decision Memorandum, is provided in Appendix I 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>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

### Changes Since the Preliminary Results

Based on the comments received and record evidence, we made certain changes to the *Preliminary Results* with respect to the net subsidy calculated for Dongbu Steel/Dongbu Incheon Steel Co., Ltd. (collectively, Dongbu), and for companies not selected for individual review. These changes are explained in 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

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<sup>3</sup> See Memorandum, "Countervailing Duty Administrative Review of Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Post-Preliminary Analysis Memorandum – Electricity for Less than Adequate Remuneration and Equity Infusions," dated May 25, 2021.

<sup>4</sup> See Memorandum, "Issues and Decision Memorandum for the Final Results of the 2018 Administrative Review of the Countervailing Duty Order on Certain Cold-Rolled Steel Flat Products from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

benefit to the recipient, and that the subsidy is specific.<sup>5</sup> For a description of the methodology underlying all of Commerce's conclusions, *see* the Issues and Decision Memorandum.

In making these final results, Commerce is relying, in part, on facts otherwise available, including an adverse inference, pursuant to section 776(a) and 776(b) of the Act. For a full discussion of our application of facts otherwise available, *see* the *Preliminary Results*.<sup>6</sup>

#### Companies Not Selected for Individual Review

For the companies not selected for individual review, because the rates calculated for Dongbu and Hyundai Steel Co., Ltd. (Hyundai Steel) are above *de minimis* and not based entirely on facts available, we applied a subsidy rate based on the weighted-average of the subsidy rates calculated for Dongbu and Hyundai Steel using publicly ranged sales data submitted by the respondents.<sup>7</sup> This is consistent with the methodology that we use in an investigation to establish the all-others rate, pursuant to section 705(c)(5)(A) of the Act.

#### Final Results of Administrative Review

We determine that, for the period January 1, 2018 through December 31, 2018, the following net countervailable subsidy rates exist:

<b>Company</b>	<b>Subsidy Rate (percent <i>ad valorem</i>)</b>
Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd.	9.18
Hyundai Steel Co., Ltd.	0.51
Non-Selected Companies Under Review <sup>8</sup>	1.93

<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 Preliminary Results* Preliminary Decision Memorandum at 16-18.

<sup>7</sup> 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 values 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.

<sup>8</sup> *See* Appendix II.

### Assessment Rate

Pursuant to 19 CFR 351.212(b)(2), Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries of subject merchandise in accordance with the final results of this review, for the above-listed companies at the applicable *ad valorem* assessment rates listed. Consistent with its recent notice,<sup>9</sup> 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 for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

### Cash Deposit Rates

In accordance with section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the companies listed above. 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 deposits, when imposed, shall remain in effect until further notice.

### Administrative Protective Order

This notice also serves as a final reminder to parties subject to 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). 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 sanctionable violation.

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<sup>9</sup> See *Notice of Discontinuation of Policy to Issue Liquidation Instructions After 15 Days in Applicable Antidumping and Countervailing Duty Administrative Proceedings*, 86 FR 3995 (January 15, 2021).

## Disclosure

Commerce intends to disclose the calculations performed for these final results of review within five days of the date of publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

## Notice to Interested Parties

These final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(5).

Dated: July 22, 2021.

Christian Marsh,  
Acting Assistant Secretary for Enforcement and Compliance.

## Appendix I

### List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. List of Issues
- III. Background
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- X. Discussion of Comments
  - Comment 1: Whether Electricity for Less Than Adequate Remuneration Confers a Benefit
  - Comment 2: Whether Commerce's Determination that Port Usage Rights Provide a Countervailable Benefit is Unsupported by Evidence and Contrary to Law
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  - Comment 5: Whether the Restructured Loans Provided to Dongbu were Specific
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  - Comment 7: Whether Dongbu Steel's Debt-to-Equity Conversions are Countervailable
  - Comment 8: Whether Commerce Incorrectly Calculated the Discount Rate for Allocating the Benefits from the Debt-to-Equity Conversions
  - Comment 9: Whether Commerce Made a Ministerial Error in Its Calculation of the Benefit Conferred by Dongbu's Debt Restructuring Program by Omitting Certain Benefit Amounts
- XI. 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