



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-884]

Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2020

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

SUMMARY: The U.S. Department of Commerce (Commerce) determines that producers/exporters of certain hot-rolled steel flat products (hot-rolled steel) from the Republic of Korea (Korea) received net countervailable subsidies at *de minimis* rates during the period of review (POR) January 1, 2020, through December 31, 2020.

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

FOR FURTHER INFORMATION CONTACT: Kelsie Hohenberger or Nathan James, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2517 or (202) 482-5305, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Results* of this review on November 4, 2022.¹ On February 13, 2023, Commerce extended the deadline for the final results of this administrative

¹ See *Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review, 2020*, 87 FR 66648 (November 4, 2022) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

review until May 3, 2023.² For a complete description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.³

Scope of the Order⁴

The merchandise covered by this *Order* is hot-rolled steel. For a complete description of the scope of this *Order*, see the Issues and Decision Memorandum.

Analysis of Comments Received

We addressed all issues raised in interested parties' case briefs in the Issues and Decision Memorandum accompanying this notice. A list of the issues raised by parties, to which Commerce responded in the Issues and Decision Memorandum, is provided as an appendix 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 <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), in October 2022, Commerce conducted an on-site verification of the subsidy information reported by Hyundai Steel.⁵ We used standard on-site verification procedures, including an examination of relevant accounting records and original source documents provided by the respondent.

² See Memorandum, "Extension of Deadline for Final Results of Countervailing Duty Administrative Review," dated February 13, 2023.

³ See Memorandum, "Issues and Decision Memorandum for the Final Results of the 2020 Administrative Review of the Countervailing Duty Order on Certain Hot-Rolled Steel Flat Products from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁴ See *Certain Hot-Rolled Steel Flat Products from Brazil and the Republic of Korea: Amended Final Affirmative Countervailing Duty Determinations and Countervailing Duty Orders*, 81 FR 67960 (October 3, 2016) (*Order*).

⁵ See Memorandum, "Verification of the Questionnaire Responses of Hyundai Steel Company," dated December 1, 2022.

Changes Since the *Preliminary Results*

After evaluating the comments received from interested parties and record information, we have made certain changes to our analysis, but have made no changes to the net subsidy rates calculated for Hyundai Steel Company (Hyundai Steel) and POSCO. For a discussion of these comments, *see* the Issues and Decision Memorandum.

Methodology

Commerce conducted this review in accordance with section 751(a)(1)(A) of 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 benefit to the recipient, and that the subsidy is specific.⁶ For a description of the methodology underlying Commerce's conclusions, *see* the Issues and Decision Memorandum.

Final Results of Review

We determine that, for the period January 1, 2020, through December 31, 2020, the following net countervailable subsidy rates exist:

Company	Subsidy Rate (percent <i>ad valorem</i>)
Hyundai Steel Company ⁷	0.32 (<i>de minimis</i>)
POSCO ⁸	0.33 (<i>de minimis</i>)

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.

⁷ This company was also referenced as “Hyundai Steel Co., Ltd” in the initiation notice. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 86 FR 67685 (November 29, 2021). As discussed in the Issues and Decision Memorandum, Commerce has found the following company to be cross-owned with Hyundai Steel: Hyundai Green Power Co.

⁸ As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with POSCO: Pohang Scrap Recycling Distribution Center Co. Ltd.; POSCO Chemical; POSCO M-Tech; POSCO Nippon Steel RHF Joint Venture Co., Ltd.; POSCO Steel Processing and Service; and POSCO Terminal. The POSCO subsidy rate applies to all cross-owned companies. We note that POSCO has an affiliated trading company through which it exported certain subject merchandise, *i.e.*, POSCO International Corporation (POSCO International). POSCO International was not selected as a mandatory respondent, but was examined in the context of POSCO. Therefore, there is not an individually-established rate for POSCO International; POSCO International's subsidies are accounted for in terms of POSCO's total subsidy rate. Entries of subject merchandise exported by POSCO International will receive the rate of the producer listed on the entry form with U.S. Customs and Border Protection (CBP). Thus, the subsidy rate applied to POSCO (and POSCO's cross-owned affiliates) is also applied to POSCO International for entries of subject merchandise produced by POSCO.

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).

Assessment Rate

In accordance with 19 CFR 351.212(b)(2), Commerce intends to issue assessment instructions directing CBP to liquidate entries of subject merchandise entered, or withdrawn from warehouse, for consumption on or after January 1, 2020, through December 31, 2020, for the above-listed companies without regard to countervailing duties. 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 Requirements

For the companies listed above for which the subsidy rates are *de minimis*, no cash deposit will be required of these companies on shipments of the 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 rate applicable to the company or the all-others rate, 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 an 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.

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: May 3, 2023.

Abdelali Elouaradia,
*Deputy Assistant Secretary
for Enforcement and Compliance.*

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Period of Review
- V. Subsidies Valuation Information
- VI. Analysis of Programs
- VII. Discussion of the Issues
 - Comment 1: Whether Electricity Is Subsidized by the Government of Korea (GOK)
 - Comment 2: Whether the GOK's Port Usage Rights Program Provides a Countervailable Benefit
 - Comment 3: Whether the Korea Emissions Trading System (K-ETS) Program Is Countervailable
 - Comment 4: Whether Commerce Should Modify its Benefit Calculation Relating to the Provision of K-ETS Permits
 - Comment 5: Whether Hyundai Steel Company (Hyundai Steel) and Hyundai Green Power Co. (HGP) Are Cross-Owned
 - Comment 6: Whether Commerce Was Required by Law to Conduct Verification of the GOK and POSCO
 - Comment 7: Whether Local Tax Exemptions under Restriction of Special Location Taxation Act (RSLTA) Article 57-2 Are Countervailable
 - Comment 8: Whether Certain of POSCO Chemical Co., Ltd.'s (POSCO Chemical) Local Tax Exemptions under RSLTA Article 78 Are Tied to Non-Subject Merchandise
 - Comment 9: Whether Certain Quota Tariff Import Duty Exemptions under Article 71 of the Customs Act Are Tied to Non-Subject Merchandise
- VIII. Recommendation

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