



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-898]

Large Diameter Welded Pipe from the Republic of Korea: Preliminary Results and Partial Rescission of the Countervailing Duty Administrative Review; 2021

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of large diameter welded pipe (welded pipe) from the Republic of Korea (Korea). The period of review (POR) is January 1, 2021, through December 31, 2021. Additionally, we are rescinding this review with respect to 22 companies. We invite interested parties to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Dennis McClure or Jonathan Schueler, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5973 or (202) 482-9175, respectively.

SUPPLEMENTARY INFORMATION:

Background

On May 31, 2022, we received multiple requests for an administrative review¹ of the countervailing duty (CVD) order on welded pipe from Korea for the POR.² On July 14, 2022,

¹ See Hyundai RB Co., Ltd.'s Letter, "Request for Administrative Review," dated May 31, 2022; see also SeAH Steel Corporation's Letter, "Request for Administrative Review," dated May 31, 2022; HiSteel Co., Ltd., "Request for Administrative Review," dated May 31, 2022; and Domestic Interested Party's Letter, "Request for Administrative Review," dated May 31, 2022. The domestic interested party is the American Line Pipe Producers Association Trade Committee.

² See *Large Diameter Welded Pipe from the Republic of Korea: Countervailing Duty Order*, 84 FR 18773 (May 2, 2019) (*Order*).

Commerce published the initiation of this administrative review for 25 producers/exporters of welded pipe from Korea.³ On August 29, 2022, Commerce selected Hyundai RB Co., Ltd. (Hyundai RB) and SeAH Steel Corporation (SeAH Steel) as the mandatory respondents in this administrative review.⁴ On January 6, 2023, Commerce extended the deadline for these preliminary results to no later than May 31, 2023.⁵

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁶ A list of topics discussed in the Preliminary Decision Memorandum is included at 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 <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Order

The merchandise covered by the *Order* is welded pipe. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

Rescission of Administrative Review, In Part

On October 12, 2022, the domestic interested party timely withdrew its request for administrative review in its entirety.⁷ However, Hyundai RB, SeAH Steel, and HiSteel Co., Ltd. continue to have outstanding review requests. As such, because there were no other active review requests for the 22 companies listed in Appendix II, we are rescinding this review, in

³ *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 87 FR 42144 (July 14, 2022).

⁴ *See* Memorandum, "Respondent Selection," dated August 29, 2022.

⁵ *See* Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 2020," dated January 6, 2023.

⁶ *See* Memorandum, "Decision Memorandum for the Preliminary Results and Partial Rescission of the Countervailing Duty Administrative Review; 2021: Large Diameter Welded Pipe from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁷ *See* Domestic Interested Party's Letter, "Withdrawal of Request for Administrative Review," dated October 12, 2022.

part, with respect to these 22 companies, pursuant to 19 CFR 351.213(d)(1).

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 government-provided financial contribution that confers a benefit to the recipient, and that the subsidy is specific.⁸ For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Preliminary Rate for Non-Selected Companies

The statute and Commerce's regulations do not directly address the CVD rates to be applied to companies not selected for individual examination where Commerce limited its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation. Section 777A(e)(2) of the Act provides that "the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}." Section 705(c)(5)(A) of the Act states that for companies not investigated, in general, we will determine an all-others rate by weight-averaging the countervailable subsidy rates established for each of the companies individually investigated, excluding zero and *de minimis* rates or any rates based solely on the facts available.

As discussed above, we initiated an administrative review of 25 companies and are rescinding the review with respect to the 22 companies listed in Appendix II. In addition, Commerce selected Hyundai RB and SeAH Steel as mandatory respondents. As such, HiSteel Co., Ltd., is the only company subject to this review not selected for individual examination. Because we preliminarily determine that only Hyundai RB received countervailable subsidies at

⁸ *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.

a rate above *de minimis*, we are preliminarily applying the net subsidy rate calculated for Hyundai RB to HiSteel Co., Ltd., as the non-selected rate.

Preliminary Results of the Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual net countervailable subsidy rate for Hyundai RB and SeAH. Commerce preliminarily determines that, during the POR, the net countervailable subsidy rates for the producers/exporters under review are as follows:

Company	Net Countervailable Subsidy Rate (percent <i>ad valorem</i>)
Hyundai RB Co., Ltd.; and its cross-owned affiliate Shinchang Construction Co., Ltd.	1.54
SeAH Steel Corporation; and its cross-owned affiliates SeAH Holdings Corporation; and ESAB SeAH Corporation	0.17 (<i>de minimis</i>)
HiSteel Co., Ltd.	1.54

Verification

As provided in section 782(i)(3) of the Act, Commerce intends to verify the information relied upon for its final results of this review.

Disclosure and Public Comment

We intend to disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of this notice.⁹ Interested parties will be notified of the timeline for the submission of case briefs at a later date.¹⁰ Rebuttal briefs, limited to issues raised in case briefs, may be filed no later than seven days after the date for filing case briefs.¹¹ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

⁹ See 19 CFR 351.224(b).

¹⁰ See 19 CFR 351.309(c)(1)(ii).

¹¹ See 19 CFR 351.309(d)(1); see also *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006, 17007 (March 26, 2020).

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, using Enforcement and Compliance's ACCESS system within 30 days of publication of this notice.¹² 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 to be discussed. 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 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 5:00 p.m. Eastern Time on the due date. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹³

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2), 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 any written briefs, no later than 120 days after the date of publication of these preliminary results.

Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producers/exporters shown above. Upon completion of the administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review.

¹² See 19 CFR 351.310(c).

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

For the companies for which this review is rescinded, we will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2021, through December 31, 2021, in accordance with 19 CFR 351.212(c)(1)(i). We intend to issue assessment instructions to CBP for these companies no earlier than 35 days after the date of publication of the preliminary results of this review in the *Federal Register*.

For the companies remaining in the review, we intend 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 Rate

In accordance with section 751(a)(2)(C) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts calculated in the final results for each of the reviewed companies listed above on 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, except, where the rate calculated in the final results is zero or *de minimis*, no cash deposit will be required. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the all-others rate as established in the *Order* (*i.e.*, 9.29 percent)¹⁴ or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

¹⁴ See *Order*, 84 FR at 18775.

Notification to Interested Parties

These preliminary results of review are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213(d)(4) and 351.221(b)(4).

Dated: May 31, 2023.

Lisa W. Wang,
Assistant Secretary for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Period of Review
- V. Partial Rescission of Administrative Review
- VI. Diversification of Korea's Economy
- VII. Subsidies Valuation Information
- VIII. Benchmarks and Interest Rates
- IX. Analysis of Programs
- X. Recommendation

Appendix II

1. AJU Besteel Co., Ltd.
2. Chang Won Bending Co., Ltd.
3. Daiduck Piping Co., Ltd.
4. Dong Yang Steel Pipe Co., Ltd.
5. Dongbu Incheon Steel Co., Ltd.
6. EEW KHPC Co., Ltd.
7. EEW Korea Co., Ltd.
8. Hansol Metal Co. Ltd.
9. Husteel Co., Ltd.¹⁵
10. Hyundai Steel Company¹⁶
11. Il Jin Nts Co. Ltd.
12. Kem Solutions Co., Ltd.
13. Kiduck Industries Co., Ltd.
14. Kum Kang Kind. Co., Ltd.
15. Kumsoo Connecting Co., Ltd.
16. Nexteel Co., Ltd.
17. POSCO International Corporation.
18. Samkang M&T Co., Ltd.
19. Seonghwa Industrial Co., Ltd.
20. SIN-E B&P Co., Ltd.
21. Steel Flower Co., Ltd.
22. WELTECH Co., Ltd.

[FR Doc. 2023-12113 Filed: 6/6/2023 8:45 am; Publication Date: 6/7/2023]

¹⁵ Subject merchandise both produced and exported by Husteel Co., Ltd. (Husteel) is excluded from the countervailing duty order. *See Large Diameter Welded Pipe from the Republic of Korea: Countervailing Duty Order*, 84 FR 18773 (May 2, 2019). Thus, Husteel's inclusion in this administrative review is limited to entries for which Husteel was not both the producer and exporter of the subject merchandise.

¹⁶ Subject merchandise both produced and exported by Hyundai Steel Company (Hyundai Steel) and subject merchandise produced by Hyundai Steel and exported by Hyundai Corporation are excluded from the countervailing duty order. *See Large Diameter Welded Pipe from the Republic of Korea: Countervailing Duty Order*, 84 FR 18773 (May 2, 2019). Thus, Hyundai Steel's inclusion in this administrative review is limited to entries for which Hyundai Steel was not the producer and exporter of the subject merchandise and for which Hyundai Steel was not the producer and Hyundai Corporation was not the exporter of subject merchandise.