



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-580-867]

### Large Power Transformers from the Republic of Korea: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review

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

**SUMMARY:** In response to a request for a changed circumstances review (CCR), the U.S. Department of Commerce (Commerce) is initiating a CCR of the antidumping duty (AD) order on large power transformers (LPTs) from the Republic of Korea (Korea). Additionally, Commerce preliminarily determines that HD Hyundai Electric Co., Ltd. (HDHE) is the successor-in-interest to Hyundai Electric & Energy Systems Co., Ltd. (HEES). 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 K. 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

On August 31, 2012, Commerce published the AD order on LPTs from Korea in the *Federal Register*.<sup>1</sup> In the most recently completed administrative review, covering the period

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<sup>1</sup> See *Large Power Transformers from the Republic of Korea: Antidumping Duty Order*, 77 FR 53177 (August 31, 2012) (*Order*).

August 1, 2020, through July 31, 2021, HEES was assigned the cash deposit rate of 4.32 percent as a company not selected for individual review.<sup>2</sup>

On May 15, 2023, HDHE informed Commerce that HEES had officially changed its Korean name from Hyundai Electric & Energy Systems Co., Ltd. to HD Hyundai Electric Co., Ltd.<sup>3</sup> HDHE requested the initiation of a CCR to find that HDHE is the successor-in-interest to HEES.<sup>4</sup> On June 16, 2023, Commerce extended the time period by 35 days, until August 3, 2023, for determining whether to initiate and whether to issue a simultaneous preliminary determination.<sup>5</sup> On July 28, 2023, HDHE filed a copy of its first quarter 2023 financial statements in Korean, with a partial translation into English.<sup>6</sup> On August 2, 2023, HDHE filed a copy of its first quarter 2023 financial statements which were fully translated into English.<sup>7</sup> We did not receive comments from other interested parties concerning this request.

#### Scope of the Order

The merchandise covered by the *Order* is LPTs from Korea. For a full description of the merchandise covered by the scope of the *Order*, see the Preliminary Decision Memorandum.<sup>8</sup>

#### Initiation of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216, Commerce will conduct a CCR of an order upon receipt of information or a review request from an interested party for a review of an order which shows changed circumstances sufficient to warrant a review of the order.<sup>9</sup> In the past, Commerce has used CCRs to address the applicability of cash deposit rates after there have been changes in the name

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<sup>2</sup> See *Large Power Transformers from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2020-2021*, 88 FR 16236 (March 16, 2023).

<sup>3</sup> See HDHE's Letter, "Request for Changed Circumstances Review and Successor-in Interest Determination," dated May 15, 2023 (CCR Request).

<sup>4</sup> *Id.* at 1-2.

<sup>5</sup> See Commerce's Letter, "Extension of Initiation Deadline," dated June 16, 2023.

<sup>6</sup> See HDHE's Letter, "Submission of Q1 2023 Financial Statement and Unofficial Translation," dated July 28, 2023.

<sup>7</sup> See HDHE's Letter, "Submission of Q1 2023 Financial Statement Translation," dated August 2, 2023.

<sup>8</sup> See Memorandum, "Decision Memorandum for the Initiation and Preliminary Results of Changed Circumstances Review: Large Power Transformers from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>9</sup> See 19 CFR 351.216(c).

or structure of a respondent, such as a merger or spinoff (“successor-in-interest,” or “successorship,” determinations).<sup>10</sup> The information submitted by HDHE supporting its claim that it is the successor-in-interest to HEES demonstrates changed circumstances sufficient to warrant such a review.<sup>11</sup>

The information submitted by HDHE demonstrates that its request is based solely on a change in the Korean name of the company from “Hyundai Electric & Energy Systems Co., Ltd.” to “HD Hyundai Electric Co., Ltd.,” effective March 27, 2023.<sup>12</sup> Moreover, the evidence submitted in support of HDHE’s request demonstrates that HDHE is otherwise the same business entity as HEES. Therefore, in accordance with the regulation referenced above, Commerce is initiating a CCR to determine whether HDHE is the successor-in-interest to HEES.

### Preliminary Results

Commerce is permitted by 19 CFR 351.221(c)(3)(ii) to combine the notice of initiation of a CCR and the preliminary results if Commerce concludes that expedited action is warranted. In this instance, because the record contains information necessary to make a preliminary finding, we find that expedited action is warranted and we have combined the notice of initiation and the preliminary results.

Accordingly, pursuant to section 751(b) of the Act, we have conducted a successor-in-interest analysis in response to HDHE’s request. In making a successor-in-interest determination in an AD CCR, Commerce examines several factors, including, but not limited to, changes in the following: (1) management and ownership; (2) production facilities; (3) supplier relationships; and (4) customer base.<sup>13</sup> While no single factor or combination of factors will

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<sup>10</sup> See, e.g., *Diamond Sawblades and Parts Thereof from the People’s Republic of China: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 82 FR 51605, 51606 (November 7, 2017), unchanged in *Diamond Sawblades and Parts Thereof from the People’s Republic of China: Final Results of Antidumping Duty Changed Circumstances Review*, 82 FR 60177 (December 19, 2017) (*Diamond Sawblades Final*).

<sup>11</sup> See 19 CFR 351.216(d).

<sup>12</sup> See CCR Request at 3.

<sup>13</sup> See, e.g., *Diamond Sawblades Final*; see also *Certain Frozen Warmwater Shrimp from India: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 83 FR 37784 (August 2, 2018), unchanged in *Certain Frozen Warmwater Shrimp from India: Notice of Final Results of Antidumping Duty Changed Circumstances Review*, 83 FR 49909 (October 3, 2018) (*Shrimp from India*).

necessarily provide a dispositive indication of a successor-in-interest relationship, generally, Commerce will consider the new company to be the successor to the previous company if the new company's resulting operation is not materially dissimilar to that of its predecessor.<sup>14</sup>

Thus, if the evidence demonstrates that, with respect to the production and sales of the subject merchandise, the new company operates as essentially the same business entity as the former company, Commerce will assign to the new company the cash deposit rate of its predecessor.<sup>15</sup>

In its CCR request, HDHE provided evidence demonstrating that HDHE's operations are not materially dissimilar from those of HEES. Based on the record, we preliminarily determine that HDHE is the successor-in-interest to HEES, as the change in the business' Korean name was not accompanied by significant changes to its management and ownership, production, facilities, supplier relationships, or customer base. There is also no evidence of significant changes between HEES and the successor-in-interest company HDHE's operations, ownership, or corporate or legal structure during the relevant period that could have impacted the successor-in-interest company's subsidy levels.<sup>16</sup> Thus, we preliminarily determine that HDHE operates as essentially the same business entity as HEES, that HDHE is the successor-in-interest to HEES, and that HDHE should receive the same AD cash deposit rate with respect to subject merchandise as its predecessor, HEES.

For a complete discussion of the information that HDHE provided, and the complete successor-in-interest analysis, *see* the Preliminary Decision Memorandum. A list of topics discussed in the Preliminary Decision Memorandum is included as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via

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<sup>14</sup> *See, e.g., Diamond Sawblades Final and Shrimp from India.*

<sup>15</sup> *See, e.g., Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp from India*, 77 FR 64953 (October 24, 2012), unchanged in *Final Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp from India*, 77 FR 73619 (December 11, 2012); *see also Notice of Initiation and Preliminary Results of Changed Circumstances Reviews: Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China*, 85 FR 5193 (January 29, 2020), unchanged in *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Final Results of Changed Circumstances Reviews*, 85 FR 14638 (March 13, 2020).

<sup>16</sup> *See* CCR Request.

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>.

### Public Comment

In accordance with 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than seven days after the date of publication of this notice.<sup>17</sup> Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the case briefs, in accordance with 19 CFR 351.309(d).<sup>18</sup> Parties who submit case or rebuttal briefs are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the arguments; and (3) a table of authorities.<sup>19</sup>

Pursuant to 19 CFR 351.310(c), any interested party may request a hearing within 7 days of publication of this notice.<sup>20</sup> Hearing requests should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the 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 the time of the hearing two days before the scheduled date.

All submissions are to be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time

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<sup>17</sup> Commerce is exercising its discretion under 19 CFR 351.309(c)(1)(ii) to alter the time limit for the filing of case briefs.

<sup>18</sup> Commerce is exercising its discretion under 19 CFR 351.309(d)(1) to alter the time limit for the filing of rebuttal briefs.

<sup>19</sup> See 19 CFR 351.309(c)(2).

<sup>20</sup> Commerce is exercising its discretion under 19 CFR 351.310(c) to alter the time limit for requesting a hearing.

on the day it is due.<sup>21</sup> Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.<sup>22</sup>

### Final Results of Review

Should our final results remain unchanged from these preliminary results, we will instruct U.S. Customs and Border Protection to assign entries of subject merchandise exported by HDHE the AD cash deposit rate applicable to HEES. Consistent with 19 CFR 351.216(e), we will issue the final results of this changed circumstances review no later than 270 days after the date on which this review was initiated, or within 45 days if all parties agree to our preliminary finding.

### Notification to Interested Parties

This initiation and preliminary results notice is published in accordance with sections 751(b)(1) and 777(i)(1) of the Act, and 19 CFR 351.216(b), 351.221(b) and 351.221(c)(3).

Dated: August 3, 2023.

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

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<sup>21</sup> See 19 CFR 351.303(b).

<sup>22</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

## Appendix

### List of Topics Discussed in Preliminary Decision Memorandum

- I. Summary
  - II. Background
  - III. Scope of the *Order*
  - IV. Initiation and Preliminary Results of the Changed Circumstances Review
  - V. Successor-in-Interest Determination
  - VI. Recommendation
- [FR Doc. 2023-17070 Filed: 8/8/2023 8:45 am; Publication Date: 8/9/2023]