



DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-878]

Certain Corrosion-Resistant Steel Products from the Republic of Korea: Notice of 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 certain corrosion-resistant steel products (CORE) from the Republic of Korea (Korea). Additionally, Commerce preliminarily determines that Dongkuk Coated Metal Co., Ltd., following a corporate organizational change in June 2023 (hereinafter, Dongkuk CM), is the successor-in-interest to the pre-reorganization Dongkuk Steel Mill Co., Ltd. entity (hereinafter, Old Dongkuk Steel). As such, Dongkuk CM is entitled to Old Dongkuk Steel's AD cash deposit rates with respect to entries of subject merchandise in the above-referenced proceeding. Interested parties are invited to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: William Horn, 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) 482-4868.

SUPPLEMENTARY INFORMATION:

Background

On June 30, 2023, Dongkuk CM notified Commerce of a corporate reorganization and requested that Commerce initiate a CCR under the relevant AD proceeding to determine that it is

the successor-in-interest to Old Dongkuk Steel for purposes of determining AD cash deposits.¹ In this request, Dongkuk CM stated that, on May 12, 2023, the shareholders of Old Dongkuk Steel approved the December 9, 2022, proposal by the company’s board of directors (BOD) to spin off its cold-rolled steel division, which produced CORE and non-subject merchandise, and its hot-rolled steel division, which produced only non-subject merchandise, as separate operating companies (*i.e.*, Dongkuk CM and New Dongkuk Steel, respectively) and position the newly-established operating companies under the holding company, Dongkuk Holdings Co., Ltd. (Dongkuk Holdings), effective as of June 1, 2023 (the Spin-Off and Reorganization).² Immediately following the BOD meeting on December 9, 2022, Old Dongkuk Steel notified the Korean Financial Services Commission (KFSC) and the Korean Financial Supervisory Service (KFSS) of the planned Spin-Off and Reorganization through a written notification that summarized the Spin-Off Plan (KFSS Notification). The KFSS Notification explained the plan to split the operations of Old Dongkuk Steel into Dongkuk CM, New Dongkuk, and Dongkuk Holdings.³ Subsequently, the Extraordinary General Meeting of Shareholders was convened on May 12, 2023, which “approved as presented” the Spin-Off Plan to proceed on June 1, 2023, as had been proposed.⁴

Dongkuk CM states that there were no other changes because of the Spin-Off and Reorganization. The total capital of Old Dongkuk Steel was allocated among the three companies under the new structure; management of Old Dongkuk Steel was divided among the three companies; the production facilities of Old Dongkuk Steel, including the production facility for CORE (*i.e.*, the Busan Plant), were split by operating division (*i.e.*, Cold- Rolled Steel Division and Hot-Rolled Steel Division) between Dongkuk CM and New Dongkuk Steel; Dongkuk CM retained the suppliers of Old Dongkuk Steel’s Cold-Rolled Steel Division for the

¹ See Dongkuk’s Letter, “Request for Changed Circumstances Review and Successor-in-Interest Determination” (Dongkuk CCR Request), dated June 30, 2023.

² *Id.* at 2-3 and Attachment 1.

³ *Id.* at 4 and Attachment 3.

⁴ *Id.* at 4 and Attachments 2 and 4.

materials used in the production of CORE; and Dongkuk CM retained the customer base of Old Dongkuk Steel's Cold-Rolled Steel Division for CORE.⁵

Scope of the Order⁶

The merchandise covered by the *Order* is certain corrosion-resistant steel products from Korea. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.⁷

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 concerning, or a request from an interested party for a review of, an order which shows changed circumstances sufficient to warrant a review of the order. Commerce finds that the information submitted by Dongkuk CM demonstrates changed circumstances sufficient to warrant such a review. Therefore, in accordance with section 751(b)(1) of the Act and 19 CFR 351.216(d), Commerce is initiating a CCR based on the information contained in Dongkuk CM's request that Commerce determine that Dongkuk CM is the successor-in-interest to Old Dongkuk Steel for purposes of the *Order*.

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

Methodology

⁵ *Id.* at 3-6 and Attachments 2-4.

⁶ See *Certain Corrosion-Resistant Steel Products from India, Italy, the People's Republic of China, the Republic of Korea, and Taiwan: Amended Final Affirmative Antidumping Determination for India and Taiwan, and Antidumping Duty Orders*, 81 FR 48390 (July 25, 2016) (*Order*).

⁷ See Memorandum, "Decision Memorandum for the Initiation and Preliminary Results of the Changed Circumstances Review of the Antidumping Duty Order on Certain Corrosion-Resistant Steel Products from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice.

In determining whether one company is the successor to another, Commerce generally considers a company to be the successor-in-interest for AD cash deposit purposes if the operations of the successor are not materially dissimilar from those of its predecessor.⁸ In making this determination, Commerce examines a number of factors including, but not limited to, changes in: (1) management; (2) production facilities; (3) suppliers; and (4) customer base.⁹ While no one or several of these factors will necessarily provide a dispositive indication of succession, if the evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the prior company, Commerce will assign the new company the cash deposit rate of its predecessor.¹⁰

Commerce's analysis of the information submitted by Dongkuk CM is detailed in the Preliminary Decision Memorandum. A list of the 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 made available to the public 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 is available at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Preliminary Results of the Changed Circumstances Reviews

In the Dongkuk CCR Request, Dongkuk CM provided evidence demonstrating that its operations are not materially dissimilar from those of Old Dongkuk Steel with respect to the subject merchandise. Specifically, Dongkuk CM is managed and operated by the same managers

⁸ See *Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Multilayered Wood Flooring from the People's Republic of China*, 79 FR 48117 (August 15, 2014), unchanged in *Multilayered Wood Flooring from the People's Republic of China: Final Results of Changed Circumstances Review*, 79 FR 58740 (September 30, 2014).

⁹ *Id.*

¹⁰ See, e.g., *Certain Preserved Mushrooms from India: Initiation and Preliminary Results of Changed-Circumstances Review*, 67 FR 78416 (December 24, 2002), unchanged in *Certain Preserved Mushrooms from India: Final Results of Changed-Circumstances Review*, 68 FR 6884 (February 11, 2003); and *Fresh and Chilled Atlantic Salmon from Norway: Final Results of Changed Circumstances Antidumping Administrative Review*, 64 FR 9979, 9980 (March 1, 1999).

as Old Dongkuk Steel, either directly as board members or members of Dongkuk CM's management team, or indirectly as members of Dongkuk Holdings' management team. Further, Dongkuk CM has not added, or discontinued use of, steel production facilities as a result of the change in ownership and management structure. Finally, there have been no significant changes to the company's suppliers and customer base. Based on the foregoing, which is explained in greater detail in the Preliminary Decision Memorandum, we preliminarily determine that Dongkuk CM is the successor-in-interest to Old Dongkuk Steel and, as such, that Dongkuk CM is entitled to Old Dongkuk Steel's AD cash deposit rate with respect to entries of subject merchandise.

Public Comment

In accordance with 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 14 days after the date of publication of this notice.¹¹ Rebuttal briefs, limited to issues raised in case briefs, may be filed not later than seven days after the due date for case briefs, in accordance with 19 CFR 351.309(d).¹² Parties who submit case briefs or rebuttal briefs in this CCR are requested to submit with each argument: (1) a statement of the issues; (2) a brief summary of the arguments; and (3) a table of authorities.¹³

Pursuant to 19 CFR 351.310(c), any interested party may request a hearing within 14 days of publication of this notice.¹⁴ Hearing requests should contain the following information: (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 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.

¹¹ Commerce is exercising its discretion under 19 CFR 351.309(c)(1)(ii) to alter the time limit for the filing of case briefs.

¹² See *Temporary Rule Modifying AD/CVD Service Requirements Due to Covid-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020) (*Temporary Rule*).

¹³ See 19 CFR 351.309(c)(2).

¹⁴ Commerce is exercising its discretion under 19 CFR 351.310(c) to alter the time limit for requesting a hearing.

All submissions must be filed electronically using ACCESS and must also be served on interested parties. An electronically-filed document must be received successfully in its entirety by ACCESS by 5:00 PM Eastern Time (ET) on the due date.¹⁵ Note that Commerce has temporarily modified certain requirements for serving documents containing business proprietary information, until further notice.¹⁶

Final Results

Consistent with 19 CFR 351.216(e), we intend to issue the final results of this CCR no later than 270 days after the date on which this review was initiated, or within 45 days of publication of these preliminary results, if all parties agree to the preliminary findings.

Notification to Interested Parties

We are issuing and publishing this initiation and preliminary results notice in accordance with section 751(b)(1) and 777(i)(1) of the Act, and 19 CFR 351.216(b) and 351.221(c)(3).

Dated: September 22, 2023.

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

¹⁵ See 19 CFR 351.303(b).

¹⁶ See *Temporary Rule*.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Current Cash Deposit Rates
- V. Initiation and Preliminary Results of the Changed Circumstances Review
- VI. Successor-in-Interest Determination
- VII. Recommendation

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