



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-882]

Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review, Partial Rescission, and Preliminary Intent to Rescind, in Part; 2021

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that certain producers/exporters of certain cold-rolled steel flat products (cold-rolled steel) from the Republic of Korea (Korea) received countervailable subsidies during the period of review (POR) January 1, 2021, through December 31, 2021. In addition, we are rescinding the review with respect to 44 companies and notifying parties of our intent to rescind the review with respect to two companies. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Benito Ballesteros, AD/CVD Operations, Office IX, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-7425.

SUPPLEMENTARY INFORMATION:

Background

On November 3, 2022, Commerce published a notice of initiation of administrative review of the countervailing duty (CVD) order on cold-rolled steel from Korea.¹ On January 20,

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 87 FR 66275 (November 3, 2022) (*Initiation Notice*).

2023, Commerce selected Hyundai Steel Company (Hyundai Steel)² and POSCO/POSCO International Corporation (collectively, POSCO)³ as mandatory respondents in this administrative review.⁴ On May 15, 2023, Commerce extended the time period for issuing the preliminary results of this review to September 29, 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 as 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 <http://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 cold-rolled steel. For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.

Rescission of Administrative Review, In Part

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if a party who requested the review withdraws the request within 90 days of the date of publication of the notice of initiation. Commerce received timely withdrawal requests

² Hyundai Steel is also known as Hyundai Steel Co., Ltd.

³ POSCO International Corporation was formerly POSCO Daewoo Corporation. *See Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review, 2019*, 86 FR 55572 (October 6, 2021) and accompanying Preliminary Decision Memorandum (PDM) at 10, unchanged in *Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2019*, 87 FR 2022 (April 8).

⁴ *See* Memorandum, "Selection of Respondents," dated January 20, 2023.

⁵ *See* Memorandum, "Extension of Deadline for Preliminary Results of 2021 Countervailing Duty Administrative Review," dated May 15, 2023.

⁶ *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review, Partial Rescission, and Intent to Rescind, in Part; 2021: Certain Cold-Rolled Steel Flat Products from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

with respect to 44 companies.⁷ Because there are no longer any pending review requests for those companies, we are rescinding this review with respect to them, in accordance with 19 CFR 351.213(d)(1). For a complete list of the companies for which we are rescinding this review, *see* Appendix II.

Preliminary Intent to Rescind Administrative Review, in Part

It is Commerce's practice to rescind an administrative review of a countervailing duty order, pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject merchandise during the POR for which liquidation is suspended.⁸ Normally, upon completion of an administrative review, the suspended entries are liquidated at the countervailing duty assessment rate calculated for the review period.⁹ Therefore, for an administrative review of a company to be conducted, there must be a reviewable, suspended entry that Commerce can instruct U.S. Customs and Border Protection (CBP) to liquidate at the calculated countervailing duty assessment rate calculated for the review period.¹⁰

According to the CBP data on the record, Hyundai Group and POSCO C&C Co., Ltd. did not have reviewable entries of subject merchandise during the POR for which liquidation is suspended. Accordingly, in the absence of reviewable, suspended entries of subject merchandise during the POR, we intend to rescind this review with respect to Hyundai Group and POSCO C&C Co., Ltd., in accordance with 19 CFR 351.213(d)(3).

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 financial contribution by an "authority" that

⁷ See Petitioners' Letter, "Partial Withdrawal of Request for Administrative Review," dated February 1, 2023.

⁸ See, e.g., *Lightweight Thermal Paper from the People's Republic of China: Notice of Rescission of Countervailing Duty Administrative Review; 2015*, 82 FR 14349 (March 20, 2017); see also *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Rescission of Countervailing Duty Administrative Review; 2017*, 84 FR 14650 (April 11, 2019).

⁹ See 19 CFR 351.212(b)(2).

¹⁰ See 19 CFR 351.213(d)(3).

gives rise to a benefit to the recipient, and that the subsidy is specific.¹¹ For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated individual net countervailable subsidy rates for Hyundai Steel and POSCO/POSCO International Corporation. We preliminarily find that, during the POR, the net countervailable subsidy rates for the producers/exporters under review to be as follows:

Company	Subsidy Rate (percent <i>ad valorem</i>)
POSCO/POSCO International Corporation ¹²	0.88 percent
Hyundai Steel Company ¹³	0.78 percent

Disclosure

We intend to disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the publication of these preliminary results, in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 30 days after the date of publication of the preliminary results in the *Federal Register*. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than seven days after the deadline date for case briefs after the

¹¹ 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.

¹² As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with POSCO: POSCO Chemical, POSCO M-Tech, Pohang Scrap Recycling Distribution Center Co., Ltd., POSCO Nippon Steel RHF Joint Venture Co., Ltd., POSCO Terminal, and POSCO Steel Processing and Service. We note that POSCO has an affiliated trading company through which it exported certain subject merchandise during the POR, POSCO International (aka POSCO International Corporation). POSCO International was not selected as a mandatory respondent but was examined in the context of POSCO. Therefore, there is not an established CVD rate for POSCO International; POSCO International's subsidies are accounted for in POSCO's total subsidy rate. Instead, entries of subject merchandise exported by POSCO International will receive the rate of the producer listed on the U.S. Customs and Border Protection (CBP) entry form. 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.

¹³ As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with Hyundai Steel: Hyundai ITC and Hyundai Green Power.

deadline date for case briefs.¹⁴ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case or rebuttal briefs in this review are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹⁵ All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety using ACCESS by 5 p.m. Eastern Time on the established deadline. Note that Commerce has temporarily modified certain of its requirements for service documents containing business proprietary information, until further notice.¹⁶

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance using ACCESS within 30 days after the date of publication of this notice.¹⁷ Requests should contain the party's name, address, and telephone number, and 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 will inform parties of the time and date for the hearing.¹⁸

Final Results

Unless the deadline is extended, 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 their comments, no later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

Assessment Rates

Consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. Commerce intends to issue assessment instructions to

¹⁴ See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

¹⁵ See 19 CFR 351.309(c)(2) and 351.309(d)(2).

¹⁶ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

¹⁷ See 19 CFR 351.310(c).

¹⁸ See 19 CFR 351.310.

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).

For the companies listed in Appendix II for which we are rescinding this administrative review, Commerce 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). Commerce intends to issue appropriate assessment instructions to CBP no earlier than 35 days after the date of publication of this notice in the *Federal Register*.

Cash Deposit Rate

Pursuant to section 751(a)(1) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts calculated in the final results for the 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 most recent company-specific applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

Notification to Interested Parties

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

Dated: September 29, 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. Diversification of Korea's Economy
- V. Subsidies Valuation Information
- VI. Benchmarks and Interest Rates
- VII. Analysis of Programs
- VIII. Recommendation

Appendix II
Companies for Which Commerce is Rescinding the Review

1. AJU Steel Co., Ltd.
2. Amerisource Korea
3. Amerisource International
4. BC Trade
5. Busung Steel Co., Ltd.
6. Cenit Co., Ltd.
7. Daewoo Logistics Corp.
8. Dai Yang Metal Co., Ltd.
9. DK GNS Co., Ltd.
10. Dongbu Incheon Steel Co., Ltd.
11. Dongbu Steel Co., Ltd.
12. Dongbu USA
13. KG Dongbu Steel Co., Ltd.
14. Dong Jin Machinery
15. Dongkuk Industries Co., Ltd.
16. Dongkuk Steel Mill Co., Ltd.
17. Eunsan Shipping and Air Cargo Co., Ltd.
18. Euro Line Global Co., Ltd.
19. Golden State Corp.
20. GS Global Corp.
21. Hanawell Co., Ltd.
22. Hankum Co., Ltd.
23. Hyosung TNC Corp.
24. Hyuk San Profile Co., Ltd.
25. Iljin NTS Co., Ltd.
26. Iljin Steel Corp.
27. Jeon Pung Industrial Co., Ltd.
28. JS Steel Co. Ltd.
29. JT Solution
30. Kolon Global Corporation
31. Nauri Logistics Co., Ltd.
32. Okaya (Korea) Co., Ltd.
33. PL Special Steel Co., Ltd.
34. Samsung C&T Corp.
35. Samsung STS Co., Ltd.
36. SeAH Steel Corp.
37. SM Automotive Ltd.
38. SK Networks Co., Ltd.
39. Taihan Electric Wire Co., Ltd.
40. TGS Pipe Co., Ltd.
41. TI Automotive Ltd.
42. Topco Global Co., Ltd.
43. Xeno Energy
44. Young Steel Co., Ltd.