



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-580-884]

### **Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results and Partial Rescission of 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 certain producers/exporters of certain hot-rolled steel flat products (hot-rolled steel) from the Republic of Korea (Korea) received countervailable subsidies during the period of review (POR) January 1, 2021, through December 31, 2021. Additionally, Commerce is rescinding this review with respect to 13 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:** Nathan James or Kelsie Hohenberger, 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) 482-5305 or (202) 482-2517, respectively.

### **SUPPLEMENTARY INFORMATION:**

#### Background

On December 5, 2022, Commerce published a notice of initiation of an administrative review of the countervailing duty order on hot-rolled steel from Korea.<sup>1</sup> On January 4, 2023, Commerce selected Hyundai Steel Company (Hyundai Steel) and POSCO as mandatory

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<sup>1</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 87 FR 74404 (December 5, 2022); see also *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*).

respondents in this administrative review.<sup>2</sup> On June 15, 2023, Commerce extended the deadline for the preliminary results of this review to no later than October 31, 2023.<sup>3</sup>

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>4</sup> 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 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 hot-rolled steel from Korea. 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 the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. Commerce received a timely-filed withdrawal request from the petitioners with respect to 13 companies.<sup>5</sup> Because the withdrawal request was timely filed, and no other party requested a review of these companies, in accordance with 19 CFR 351.213(d)(1), Commerce is rescinding this review with respect to the following companies: (1) DCE Inc; (2) Dong Chuel America Inc.; (3) Dong Chuel Industrial Co., Ltd.; (4) Dongbu Incheon Steel Co., Ltd.; (5) Dongbu Steel Co., Ltd.; (6) Dongkuk Industries Co., Ltd.;

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<sup>2</sup> *See* Memorandum, "Respondent Selection," dated January 4, 2023.

<sup>3</sup> *See* Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review," dated June 15, 2023.

<sup>4</sup> *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review of Certain Hot-Rolled Steel Flat Products from the Republic of Korea; 2021," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>5</sup> The petitioners are: Cleveland-Cliffs Inc.; Nucor Corporation; SSAB Enterprises, LLC; Steel Dynamics, Inc.; and United States Steel Corporation.

(7) Dongkuk Steel Mill Co., Ltd.; (8) Hyewon Sni Corporation (H.S.I.); (9) JFE Shoji Trade Korea Ltd.; (10) POSCO Coated & Color Steel Co., Ltd.; (11) POSCO Daewoo Corporation; (12) Soon Hong Trading Co., Ltd.; and (13) Sung-A Steel Co., Ltd.<sup>6</sup>

### 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 from an authority that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>7</sup> For a full description of the methodology underlying our conclusions, *see* the accompanying Preliminary Decision Memorandum.

### Preliminary Results of Review

As a result of this review, we preliminarily determine the net countervailable subsidy rates exist for the period, January 1, 2021, through December 31, 2021:

<b>Producer/Exporter</b>	<b>Subsidy Rate (percent <i>ad valorem</i>)</b>
Hyundai Steel Company <sup>8</sup>	0.78
POSCO <sup>9</sup>	0.88

### Disclosure and Public Comment

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<sup>6</sup> See Petitioners' Letter, "Partial Withdrawal of Request for Administrative Review," dated March 6, 2023.

<sup>7</sup> 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.

<sup>8</sup> Hyundai Steel Company is also known as "Hyundai Steel Co., Ltd." As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with Hyundai Steel: Hyundai Green Power Co. Ltd.; and Hyundai ITC.

<sup>9</sup> 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.

We intend to disclose to interested parties the calculations performed for these preliminary results within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

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 five days after the date for case briefs.<sup>10</sup> Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this review are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. All briefs must be filed electronically using Enforcement and Compliance's ACCESS system. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).<sup>11</sup>

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. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. 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.

### Final Results of Review

Unless the deadline is extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

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<sup>10</sup> See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).

<sup>11</sup> See *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings; Final Rule*, 88 FR 67069 (September 29, 2023).

## Assessment Rates

Pursuant to 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 of subject merchandise in accordance with the final results of this review. 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).

For the companies 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).

## Cash Deposit Requirements

In accordance with section 751(a)(1) 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 shown for each of 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 administrative 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 at the most recent company-specific or all-others rate applicable to the company. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Interested Parties

These preliminary results 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 19 CFR 351.221(b)(4).

**Dated:** October 31, 2023.

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

## Appendix

### List of Topics Discussed in the Preliminary Decision Memorandum

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

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