



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-888]

Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2021

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

SUMMARY: The U.S. Department of Commerce (Commerce) determines that countervailable subsidies were provided to POSCO, a producer and exporter of certain carbon and alloy steel cut-to-length plate (CTL plate) from the Republic of Korea (Korea), during the period of review (POR) from January 1, 2021, through December 31, 2021.

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

FOR FURTHER INFORMATION CONTACT: Faris Montgomery, 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) 482-1537.

SUPPLEMENTARY INFORMATION:

Background

On June 6, 2023, Commerce published the *Preliminary Results* of this administrative review in the *Federal Register*.¹ On August 9, 2023, Commerce released a post-preliminary analysis memorandum regarding the provision of electricity for less than adequate remuneration and electricity for more than adequate remuneration programs.² Between August 29 and September 1, 2023, Commerce conducted on-site verification of the questionnaire responses

¹ See *Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review; 2021*, 88 FR 37019 (June 6, 2023) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

² See Memorandum, “Post-Preliminary Analysis,” dated August 9, 2023.

submitted by the Government of Korea.³

On September 6, 2023, Commerce extended the deadline for the final results of this review to no later than December 1, 2023.⁴ For a complete description of the events that followed the *Preliminary Results*, see the Issues and Decision Memorandum.⁵

We conducted this review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

Scope of the Order⁶

The merchandise covered by the *Order* is CTL plate. For a complete description of the scope of the *Order*, see the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised in interested parties' briefs are addressed in the Issues and Decision Memorandum. A list of the issues addressed is attached to this notice at the appendix to this notice. The Issues and 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 Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Changes Since the *Preliminary Results*

Based on our analysis of the case and rebuttal briefs and the evidence on the record, we made certain changes to POSCO's countervailable subsidy calculations from the *Preliminary*

³ See Memorandum, "Verification of the Questionnaire Responses of the Government of Korea for the Provision of Electricity for Less than Adequate Remuneration Program," dated September 28, 2023.

⁴ See Memorandum, "Extension of Deadline for Final Results of Countervailing Duty Administrative Review," dated September 6, 2023.

⁵ See Memorandum, "Issues and Decision Memorandum for the Final Results of the Countervailing Duty Administrative Review: Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea; 2021," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁶ See *Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Countervailing Duty Order*, 82 FR 24103 (May 25, 2017) (*Order*).

Results. These changes are explained in the Issues and Decision Memorandum.

Methodology

Commerce conducted this review in accordance with section 751(a)(1)(A) of the Act. For each of the subsidy programs found countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁷ The Issues and Decision Memorandum contains a full description of the methodology underlying Commerce's conclusions.

Verification

As provided in section 782(i)(3) of the Act and 19 CFR 351.307(b)(iv), in August 2023, Commerce conducted an on-site verification of the subsidy information reported by the Government of Korea. We used standard on-site verification procedures, including an examination of relevant accounting records and original source documents provided by the respondent.

Final Results of Review

In accordance with 19 CFR 351.221(b)(5), we calculated an individual net countervailable subsidy rate for POSCO. Commerce determines that, during the POR, the net countervailable subsidy rate for the producers/exporter under review is as follows:

Producer/Exporter	Subsidy Rate (percent <i>ad valorem</i>)
POSCO ⁸	0.87

⁷ 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.

⁸ As discussed in the *Preliminary Results*, Commerce found the following companies to be cross-owned with POSCO: Pohang Scrap Recycling Distribution Center Co. Ltd.; POSCO Chemical Co., Ltd.; POSCO M-Tech Co., Ltd.; POSCO Nippon Steel RHF Joint Venture Co., Ltd.; POSCO SPS Co., Ltd.; and POSCO Terminal Co., Ltd. The subsidy rate applies to all cross-owned companies. We note that POSCO has an affiliated trading company through which it exported certain subject merchandise during the POR, POSO 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 countervailing duty 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 companies is also applied to POSCO International for entries of subject merchandise produced by POSCO.

Disclosure

We intend to disclose the calculations performed in connection with the final results of review to parties in this proceeding within five days of the date of publication of this notice in the *Federal Register* in accordance with 19 CFR 351.224(b).

Assessment Rates

Pursuant to 19 CFR 351.212(b)(2), Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries of subject merchandise in accordance with the final results of this review, for the above-listed company at the applicable *ad valorem* assessment rate. 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 Requirements

In accordance with section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amount shown for the company listed above based 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.⁹ For all non-reviewed firms subject to the *Order*, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific rate or the all-others rate (3.72 percent), as appropriate.¹⁰ These cash deposit requirements, effective upon publication of these final results, shall remain in effect until further notice.

Administrative Protective Order

⁹ See, e.g., *Honey from Argentina: Results of Countervailing Duty Administrative Review*, 69 FR 29518 (May 24, 2004), and accompanying Issues and Decision Memorandum at Issue 4.

¹⁰ See *Order*, 82 FR at 24103.

This notice also serves as a reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing these final results of administrative review and notice in accordance with sections 751(a)(1) and 777(i) of the Act, and 19 CFR 351.221(b)(5).

Dated: December 1, 2023.

Abdelali Elouaradia,
Deputy Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Subsidies Valuation Information
- V. Analysis of Programs
- VI. Discussion of Comments
 - Comment 1: Whether Electricity is Subsidized by the Government of Korea (GOK)
 - Comment 2: Whether the Provision of Korea Emissions Trading System (K-ETS) Permits is Countervailable
 - Comment 3: Whether the Benchmark Calculations for Electricity for More than Adequate Remuneration (MTAR) Should Differentiate for Time-of-Use
 - Comment 4: Whether Certain of POSCO SPS Co. Ltd.'s (POSCO SPS) Industrial Technology Innovation Promotion Act (ITIPA) Grants are Tied to Non-Subject Merchandise
 - Comment 5: Whether Certain of POSCO Chemical Co., Ltd.'s (POSCO Chemical) Local Tax Exemptions under the Restriction of Special Local Taxation Act (RSLTA) Article 78 are Tied to Non-Subject Merchandise
 - Comment 6: Whether Certain Quota Tariff Import Duty Exemptions under Article 71 of the Customs Act are Tied to Non-Subject Merchandise
- VII. Recommendation

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