



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-580-879]

### **Certain Corrosion-Resistant Steel Products from the Republic of Korea: Final Results and Partial Rescission 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 are being provided to producers and exporters of certain corrosion-resistant steel products from the Republic of Korea. The period of review (POR) is January 1, 2021, through December 31, 2021.

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

**FOR FURTHER INFORMATION CONTACT:** Robert Palmer, 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) 482-9068.

### SUPPLEMENTARY INFORMATION

#### *Background*

Commerce published the preliminary results of this administrative review on July 31, 2023.<sup>1</sup> For a description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.<sup>2</sup>

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<sup>1</sup> See *Certain Corrosion-Resistant Steel Products from the Republic of Korea: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review; 2021*, 88 FR 49440 (July 31, 2023) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

<sup>2</sup> See Memorandum, “Issues and Decision Memorandum for the Final Results and Partial Rescission of the 2021 Administrative Review of the Countervailing Duty Order on Certain Corrosion-Resistant Steel Products from the Republic of Korea,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

### *Scope of the Order*<sup>3</sup>

The products covered by this *Order* are certain corrosion-resistant steel products. For a complete description of the scope of this *Order*, see the Issues and Decision Memorandum.

### *Analysis of Comments Received*

All issues raised in interested parties' case briefs are addressed in the Issues and Decision Memorandum accompanying this notice. A list of the issues raised by parties, and to which Commerce responded in the Issues and Decision Memorandum, is provided in 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 a review of the record and comments received from interested parties regarding our *Preliminary Results*, and for the reasons explained in the Issues and Decision Memorandum, we made certain revisions to the subsidy calculations for KG Dongbu Steel Co., Ltd. (KG Dongbu). As a result of the changes to KG Dongbu's final subsidy rate, the final subsidy rate for the three non-selected companies under review also changed.<sup>4</sup>

### *Methodology*

Commerce conducted 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 find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a

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<sup>3</sup> 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*).

<sup>4</sup> For details on the changes made since the *Preliminary Results*, see the Issues and Decision Memorandum.

benefit to the recipient, and that the subsidy is specific.<sup>5</sup> For a description of the methodology underlying all of Commerce's conclusions, *see* the Issues and Decision Memorandum.

#### *Partial Rescission of Review*

Commerce's practice is 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.<sup>6</sup> Normally, upon completion of an administrative review, the suspended entries are liquidated at the countervailing duty assessment rate calculated for the review period.<sup>7</sup> 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 countervailing duty assessment rate calculated for the review period.

In the *Preliminary Results*, we found the following four companies subject to this review did not have reviewable entries during the POR for which liquidation is suspended: (1) SeAH Steel Corporation; (2) POSCO International; (3) POSCO Steeleon; and (4) Hyundai Steel Co., Ltd. Accordingly, pursuant to 19 CFR 351.213(d)(3), we stated our intention to rescind the review with respect to these companies in the final results.<sup>8</sup> Because there is no evidence on the record that these four companies had entries, exports, or sales of subject merchandise during the POR, and no party filed comments with respect to our preliminary determination regarding these companies, we are rescinding this review with respect to these four companies consistent with 19 CFR 351.213(d)(3).

#### *Companies Not Selected for Individual Review*

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<sup>5</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>6</sup> *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); and *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).

<sup>7</sup> *See* 19 CFR 351.212(b)(2).

<sup>8</sup> *See Preliminary Results*, 88 FR at 49440.

There are three companies for which a review was requested, but which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent. These companies are: (1) POSCO; (2) POSCO Coated & Color Steel Co., Ltd.; and (3) SeAH Coated Metal. For these three companies, because the rates calculated for mandatory respondents KG Dongbu and Hyundai Steel Company were above *de minimis* and not based entirely on facts available, we applied a final subsidy rate based on a weighted average of the rates calculated for the two mandatory respondents using the publicly ranged sales data they submitted on the record. This methodology for establishing the subsidy rate for the non-selected companies is consistent with our practice and with section 705(c)(5)(A) of the Act.

*Final Results of Review*

We determine that, for the period January 1, 2021, through December 31, 2021, the following total net countervailable subsidy rates exist:

<b>Producer/Exporter</b>	<b>Subsidy Rate (percent <i>ad valorem</i>)</b>
KG Dongbu Steel Co., Ltd.	6.48
Hyundai Steel Company	0.82
<b>Review-Specific Rate Applicable to Non-Selected Companies:</b>	
POSCO	1.60
POSCO Coated & Color Steel Co., Ltd.	1.60
SeAH Coated Metal	1.60

*Disclosure*

Commerce intends to disclose the calculations performed for these final results of review within five days of the date of publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

*Assessment Rate*

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(2), Commerce has determined, and 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 companies at

the applicable *ad valorem* assessment rates listed. 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).

#### *Cash Deposit Rates*

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 amounts shown for each of the respective companies listed above on shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. 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 or all-others rate applicable to the company, as appropriate. These cash deposits, effective upon the publication of the final results of this review, shall remain in effect until further notice.

#### *Administrative Protective Order*

This notice also serves as a final reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/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*

These final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(5).

Dated: January 25, 2024.

**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 the Issues
  - Comment 1: Whether Electricity Is Subsidized by the Government of Korea (GOK)
  - Comment 2: Whether the Korea Emissions Trading System (K-ETS) Is Countervailable
  - Comment 3: Whether Hyundai Steel Company (Hyundai Steel) and Hyundai Green Power (HGP) Are Cross-Owned
  - Comment 4: Whether KG Dongbu Steel Co., Ltd. (KG Dongbu) Is Equityworthy and the 2015-2018 Debt-to-Equity Swaps Should Be Countervailed
  - Comment 5: Whether Subsidies Prior to Dongbu Steel Co., Ltd.'s (Dongbu Steel) Change in Ownership (CIO) Pass Through to KG Dongbu
  - Comment 6: Whether Commerce Incorrectly Calculated the Uncreditworthy Benchmark Rate and Unequityworthy Discount Rate
  - Comment 7: Whether Commerce Used the Correct Uncreditworthy Rate in the Benefit Calculation for the Long-Term Loan and Bond Restructured in 2019
  - Comment 8: Whether Commerce Incorrectly Included Long-Term Bonds Received from a Private Bank in its Calculation of Benefit for Restructured Loans
- VIII. Recommendation

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