



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-884]

Certain Hot-Rolled Steel Flat Products 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 Hyundai Steel
Company (Hyundai Steel) and POSCO, 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.

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

FOR FURTHER INFORMATION CONTACT: Nathan James or Kelsie Hohenberger,
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SUPPLEMENTARY INFORMATION:

Background

On November 6, 2023, Commerce published the *Preliminary Results* of this
administrative review in the *Federal Register* and invited interested parties to comment.¹ On
February 22, 2024, Commerce extended the deadline for issuing the final results until May 3,

¹ See *Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results and Partial
Rescission of Countervailing Duty Administrative Review, 2021*, 88 FR 76178 (November 6, 2023) (*Preliminary
Results*), and accompanying Preliminary Decision Memorandum (PDM).

2024.² For a complete description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.³

Scope of the Order⁴

The merchandise covered by this *Order* is hot-rolled steel. For a complete description of the scope of the *Order*, see the Issues and Decision Memorandum.

Analysis of Comments Received

We addressed all issues raised in interested parties' case briefs in the Issues and Decision Memorandum. A list of the issues raised by parties, to which Commerce responded in the Issues and Decision Memorandum, is provided as an 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 comments received from interested parties, we made certain changes to Hyundai Steel's and POSCO's countervailable subsidy rate calculations from the *Preliminary Results*. For a discussion of these comments, see the Issues and Decision Memorandum.

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

² See Memorandum, "Extension of Deadline for Final Results of Countervailing Duty Administrative Review," dated February 22, 2024.

³ See Memorandum, "Decision Memorandum for the Final Results of the Countervailing Duty Administrative Review; 2021," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁴ See *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*).

benefit to the recipient, and that the subsidy is specific.⁵ For a full description of the methodologies underlying all of Commerce's conclusions, *see* the Issues and Decision Memorandum.

Final Results of Administrative Review

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

Producer/Exporter	Subsidy Rate (percent <i>ad valorem</i>)
Hyundai Steel Company ⁶	0.76
POSCO ⁷	0.86

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

Pursuant to 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*

⁵ 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.

⁶ As discussed in the *Preliminary Results* PDM, Commerce has found the following companies to be cross-owned with Hyundai Steel Company: Hyundai ITC and Hyundai Green Power. Additionally, we note that Hyundai Steel Company is also known as Hyundai Steel Co., Ltd.

⁷ As discussed in the *Preliminary Results* PDM, 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 Terminal, and POSCO Steel Processing and Service. Also as discussed in the *Preliminary Results* 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.

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

Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for the 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 all-others rate or most recent company-specific rate applicable to the company, as appropriate. These cash deposits, when imposed, shall remain in effect until further notice.

Administrative Protective Order

This notice also serves as a final reminder to parties subject to 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: May 3, 2024.

Ryan Majerus,
*Deputy Assistant Secretary
for Policy and Negotiations,
performing the non-exclusive functions and duties
of the Assistant Secretary for Enforcement and Compliance.*

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Subsidies Valuation
- IV. Analysis of Programs
- V. Discussion of the Issues
 - Comment 1: Whether the Korea Emissions Trading System (K-ETS) Program Is Countervailable
 - Comment 2: Whether to Modify the K-ETS Benchmark and Benefit Calculations
 - Comment 3: Whether the Government of Korea's (GOK's) Provision of Electricity was Consistent with Market Principles During the POR
 - Comment 4: Whether the Electricity for Less-Than-Adequate-Remuneration (LTAR) Program is Specific
 - Comment 5: Whether to Modify the Benefit Calculation for the Electricity for LTAR Program
 - Comment 6: Whether the Benchmark Calculations for Electricity for More Than Adequate Remuneration (MTAR) Should Differentiate for Time-of-Use
 - Comment 7: Whether Certain Industrial Technology Innovation Promotion Act (ITIPA) Grants Received by POSCO SPS and POSCO Chemical are Tied to Non-Subject Merchandise
 - Comment 8: Whether Certain of POSCO Chemical's Local Tax Exemptions under the Restriction of Special Location Taxation Act (RSLTA) Article 78 are Tied to Non-Subject Merchandise
 - Comment 9: Whether Certain of POSCO's Quota Tariff Import Duty Exemptions under Article 71 of the Custom's Act are Tied to Non-Subject Merchandise
 - Comment 10: Whether Hyundai Steel is Cross-Owned With Hyundai Green Power (HGP)
 - Comment 11: Whether POSCO International Received Tax Credits Under RSTA Article 25(1)(5)
- VI. Recommendation